

SAUDER SCHOOL OF BUSINESS
Centre for Social Innovation
& Impact Investing



BC Social Venture Sector Labour Market Study, 2015

(A BC Labour Market Partnership Program Project)



a place of mind
THE UNIVERSITY OF BRITISH COLUMBIA

UBC SAUDER
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BC Social Venture Sector Labour Market Study, 2015 (A BC Labour Market Partnership Program Project)

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The Centre for Social Innovation & Impact Investing (Sauder S3i) focuses on leveraging business tools to advance social innovation and sustainability. From research to incubation through to application Sauder S3i aims to build intellectual and human capacity by linking knowledge with action to address challenges with timely solutions that have real-world impact. We are as passionate about student development and action oriented research as we are about creating useful resources, plans, and capacity for our partner communities and organizations.



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EXECUTIVE SUMMARY



Social ventures play an important role in the political and economic landscape of British Columbia. They operate between the private and public sectors through a broad range of community, not-for-profit, and business activities that create social or environmental value in support of community regeneration, sustainable growth, more inclusive wealth creation, and active citizenship, for example.

Little information exists on the social venture sector in British Columbia. As such, this research study serves as a benchmark by offering insight into B.C.'s social venture sector from a labour market perspective. It provides information on the key issues and challenges facing social ventures and offers recommendations on the actions needed to facilitate further development of the sector across the province.

A review of existing literature along with interviews with key experts resulted in the following broad definition of a social venture organization:

Social ventures are organizations (including for-profit, non-profit, cooperatives and Community Contribution Companies) that undertake business activities (i.e. generate revenues from the sales of products or services) which contribute towards achievement of a social, environmental, or cultural mission, purpose or benefit that is integral to the organization's existence.

This definition was included in the survey sent to 1,819 potential social venture organizations that had been identified through a number of channels including publicly accessible databases, government sources, websites, and referrals. Of the 354 that responded to the survey, 219 passed the screening protocol used to filter out organizations that did not fit within the study's social venture classification scheme. In addition, 25 expert interviews and 18 case studies served to contextualize the findings and support the final analysis.

Social ventures generate social or environmental impact in a wide range of areas from developing clean energy technology, to providing skills training for youths, and improving food security through sustainable agriculture, and more. Moreover, many of these organizations create impact in more than one area. For most ventures, the social or environmental purpose and mission remains a primary reason for their existence, while only 13% of social ventures consider it to be a positive by-product of their operations. Some (72%), for instance, seek to affect change by producing products or services considered to have an inherently positive social impact. While others (48%) provide systematic solutions to environmental issues and issues related to poverty, inequality, education, and economic development.

The study separates social ventures into four general categories: non-profit, for-profit, cooperative, and community contribution corporations (C3s). Non-profit social ventures form the bulk of the sector in British Columbia while for-profits and cooperatives form the remainder. C3s—a recently legislated category of for-profit social venture—take up a small slice of the pie (1%) as only 21 were registered when the database of respondents was established in September 2014.

Overall, the social venture sector in British Columbia has grown by 35% since 2010, with sector earnings exceeding \$500M annually. For-profit social ventures have experienced the greatest growth in number (42% compared to a 33% increase in non-profits), while also experiencing the greatest growth in employment; however, the lion's share of new workers (61%) work in non-profit social

ventures. Interestingly, interviews with industry experts identified a general perception that the social venture sector in B.C. is new and emerging, yet this study shows that only the for-profit social ventures and C3s are novel.

In B.C., the social venture sector employs almost 13,000 individuals. Unlike other businesses in B.C., part-time employees comprise a large proportion of the social venture workforce. In fact, less than half of the sector's workforce has full-time employment, while volunteerism remains an integral part of the operation for 80% of the non-profits and cooperatives. On average, more women than men work for social ventures, although among for-profits the ratio is balanced. Of note is the proportion of employees with a university education (37% compared to B.C. overall at 29%).

More and more people, particularly young people, want to do work that contributes to the improvement of society as a whole. Social ventures offer workers a chance to become involved in solving some of the difficult and pressing issues facing society today. These opportunities are particularly appealing to young people who are passionate about being involved in the growing and innovative space occupied by social ventures. Of all the skills and characteristics employers look for, commitment to social mission ranks the highest, while the importance of the work with which these ventures engage has proven to be an important competitive advantage for attracting and retaining workers. Yet, social ventures acknowledge they are at a disadvantage as employers, particularly at the start-up stage when limited access to capital makes paying higher wages difficult.

For the most part, social ventures are optimistic about growth of the industry—over half of them expect an average 23% increase in the number of employees over the next five years. This trend, combined with the anticipated retirement of a significant number of the baby boomers currently filling senior management roles, will lead to the creation of new opportunities for motivated workers. Now is a critical time for academic institutions to introduce students to business models that incorporate social and environmental mandates and ways of measuring social impact.

A social venture's success relies on a number of important factors, including the strength of its business model, its leadership capacity, and access to capital. Going forward, the potential of the social venture sector will depend not only on consumer demand for the products and services they provide, but also awareness of the sector as the means to affect social change and in which to obtain meaningful employment.

Nevertheless, social ventures still have a number of challenges to overcome, many of which stem from the fact that they function within an emerging sector. This study identified a number of recommended actions that government, academia, and industry can undertake to help the social venture sector grow and prosper. In particular, the sector would benefit from improved access to networking and mentoring opportunities through incubators and accelerators, and by tailoring and making available the existing resources and tools developed for SMEs. Most importantly, government, industry, and academia have an opportunity to enhance the sector's profile through activities that serve to increase awareness of the sector not only for the services and products they provide but also for the social impact they create and the job satisfaction they offer workers. Furthermore, collaboration on public procurement policies, tax incentives, as well as skills development and wage support programs will offer the greatest potential for creating industry growth.

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LIST OF ACRONYMS

| | |
|----------------|--|
| ▶ BC | British Columbia |
| ▶ C3 | Community Contribution Company |
| ▶ ENPBC | Enterprising Non Profits BC |
| ▶ IT | Information Technology |
| ▶ LMI | Labour market information |
| ▶ SME | Small and Medium Enterprises |
| ▶ STEM | Science, Technology, Engineering, Mathematics |
| ▶ SV | Social Venture |
| ▶ UBC | University of British Columbia |

INTRODUCTION

PURPOSE OF STUDY



There is currently little information available on the size, characteristics and specific challenges faced by the social venture sector. The Centre for Social Innovation & Impact Investing at the UBC Sauder School of Business received funding from the Government of British Columbia, through the Labour Market Partnerships Program, to conduct a benchmarking study of the social venture sector in British Columbia. The purpose of this study has been to collect, analyze and present labour market information (LMI) related to the social venture sector in British Columbia. In doing so, the study addressed a series of core research questions including:

- ▶ How large is the social venture sector in British Columbia?
- ▶ What contribution do social ventures make to the fabric of British Columbia?
- ▶ What are the characteristics of social venture organizations in British Columbia?
- ▶ What are the characteristics of the sector's labour force?
- ▶ How strong is the existing labour market for the sector and what is the outlook going forward?
- ▶ What are the key issues and challenges facing the sector and what actions, if any, should be taken to facilitate further development of the social venture sector in British Columbia?

The study results are intended to be used by government in developing policies and programs, by educational institutions in creating training and education programs, by financial institutions in providing capital and services to the sector, and by social innovation researchers and social ventures themselves. The study results also provide a baseline against which the future growth and development of the sector can be measured.

METHOD OF STUDY

A detailed work plan was developed during the first phase of the project which determined what data was required to address each of the research questions, identified key data sources, and outlined the methodologies that would be used to collect the required data.

These methodologies included:

- ▶ **A review of secondary data and relevant literature and the development of a definition of a social venture organization.** An extensive review of the relevant literature was conducted to develop an operational definition of a social venture organization as well as to understand the current state of knowledge on the social venture sector in the province. The review included scholarly articles, publications, research papers, documents and online materials. Several interviews were conducted with key experts in the field who have knowledge of the social venture sector in BC and who were able to provide us access to literature and documents not available in the public domain. The literature review and interview results were summarized and presented to the Advisory Committee members. Based on the extensive discussions and the results of the literature review, the following definition of a social venture was developed:

Social ventures are organizations (including for-profit, non-profit, cooperatives and Community Contribution Companies) that undertake business activities (i.e. generate revenues from the sales of products or services) which contribute towards achievement of a social, environmental, or cultural mission, purpose or benefit that is integral to the organization's existence.

As this accepted definition was very broad and included wide variety of the organizations, based on the discussions with the Advisory Committee, on the second stage of the study, the definition of social ventures was operationalized. In particular, social impact businesses and cooperatives,¹ non-profit or Aboriginal contractors², and medium and large organizations³ were excluded from the scope of the study. Social impact businesses were excluded as they not have a social mission, mandate or social objectives as their primary reason for existence. Non-profit and Aboriginal controlled

1. Social impact business and cooperatives are organizations that do not have a social mission, mandate or social objectives as their primary reason for being but do generate significant social impacts (e.g. by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available). **2.** Non-profits or Aboriginal controlled organizations, which have a social mission and generate at least 50% of their revenues from the sales of goods and services but are heavily reliant for that revenue on government contracts. **3.** As per definition by Industry Canada, large/medium social ventures are those that have more than 100 employees.

organizations that generate over 50% of their revenues through contracts with the governments were also excluded due to heavy reliance on government funds. Finally, it was determined that the needs and labour market requirements for medium/large size organizations that meet the above definition of the social ventures differ significantly from those of small size organizations. Therefore, only those organizations that had fewer than 100 employees were included within the scope of this study. Table 3 provides various types of organizations that were included/excluded from the study and Appendix II provides more detailed classifications and criteria for selecting social ventures to be included within the scope of this study.

- ▶ **Comprehensive telephone interviews with 25 subject matter experts.** These experts included social entrepreneurs, senior managers or other executives involved in the sector either through investment or by providing other forms of business support or consulting, and representatives from post-secondary educational institutions, government, and the financial sector.
- ▶ **Case studies of 18 social venture organizations.** These case studies were conducted to provide a more in-depth analysis of the characteristics of social venture organizations in BC, particularly in regards to their labour market situation. The case study organizations were stratified by various criteria including legal structure, size of operation, and geographic location. Of the 18 social venture organizations included in case studies, 8 were incorporated companies, 4 were non-profits, 3 were community contribution companies (C3s), 2 were cooperatives, and 1 was a B-corp. All three C3s were included in one case study report to facilitate better understanding of this newly developing sub-sector. In order to protect the confidently, the results of the case study reviews were included in the report only in a summary form without identifying any specific case study organization.
- ▶ **Development of a comprehensive database of social ventures in BC.** Several formal and informal channels were used to develop the database, including government data sources, publically accessible listings and websites including past research on social venture organizations, and referrals from key informants and steering committee members with professional access to partial lists of organizations that could be social ventures. We merged the data obtained from all sources, removed duplicates and identified contact information. The following table provides the number of potential social venture organizations in our database, including the source of data and breakdown by legal structure. As demonstrated in the table, our database included a total 1,891 organizations, of which 56% (1,065) were registered charities or other non-profit organizations, 27% (509) were businesses, 16% (304) were cooperatives, and 1% (13) were community contribution companies (C3).

| SOURCE | Non-Profit | | Cooperative | | Business | | C3 | | Total | |
|--|------------|----|-------------|----|----------|----|----|-----|-------|----|
| | # | % | # | % | # | % | # | % | # | % |
| Government Data/Registries | # | % | # | % | # | % | # | % | # | % |
| Canada Revenue Agency We obtained a list of all registered charities in BC (2013) and identified employers that generate at least 25% of their revenues from sales of goods and services. | 803 | 75 | | | | | | | 803 | 42 |
| BC Registry (Co-ops) We obtained a list of 644 registered co-ops in BC and managed to identify contact information for 274 through online research. | | | 274 | 90 | | | | | 274 | 14 |
| BC Registry/NP Survey Non-profit organizations registered in BC were surveyed in 2013. We included employers who indicated a significant portion of their revenues came from the sale of goods and services to non-government clients/customers. | 66 | 6 | | | | | | | 66 | 3 |
| BC Registry (C3S) We obtained a list of the 21 registered C3s in BC and determined that 13 of them appeared to be active. | | | | | | | 13 | 100 | 13 | 1 |
| Publicly Accessible List of Websites | # | % | # | % | # | % | # | % | # | % |
| Canadian Council for Aboriginal Business The website provides a searchable directory by province which was used to locate all Council members in BC. | 1 | 0 | | | 53 | 10 | | | 54 | 3 |
| Vancouver Island Green Business Association The website provides access to the organization's member directory. | | | | | 24 | 5 | | | 24 | 1 |
| BC Sustainable Energy Association The website provides access to the organization's business directory. | | | | | 22 | 4 | | | 22 | 1 |

TABLE 1: SOCIAL VENTURE DATABASE – NUMBER BY SOURCE AND ORGANIZATION TYPE

| SOURCE | Non-Profit | | Cooperative | | Business | | C3 | | Total | |
|---|------------|----|-------------|---|----------|---|----|---|-------|---|
| | # | % | # | % | # | % | # | % | # | % |
| Publicly Accessible List of Websites | | | | | | | | | | |
| Vancouver Island Green Scene The website provides access to the organization's member directory. | | | | | 15 | 3 | | | 15 | 1 |
| Credit Unions of BC Website The website provides a list of all BC credit unions. | | | 14 | 5 | | | | | 14 | 1 |
| Vancity We consulted a list of social ventures and social enterprises featured on Vancity's website. | | | | | 10 | 2 | | | 10 | 1 |
| Enterprising Non Profits (social enterprises in BC) The website provides a searchable directory of organizations registered in the website's Social Enterprise Marketplace. A search was conducted by province. | 128 | 12 | | | | | | | 128 | 7 |
| Certified B Corps (BC) The website provides a searchable list by state/province which was used to locate all certified B Corps in BC. | | | | | 26 | 5 | | | 26 | 1 |
| Canadian Association of Family Enterprise (Vancouver Island Chapter) The website provides access to the Vancouver Island Chapter member directory. | 1 | 0 | | | 5 | 1 | | | 6 | 0 |
| Radius Social Venture Incubator. The website provides a list of social ventures that have participated in the Radius Ventures program. | | | | | 6 | 1 | | | 6 | 0 |
| BC Ideas-Winner The website provides a list of social ventures who have been BC Ideas award winners. | 5 | 0 | | | 0 | 0 | | | 5 | 0 |

TABLE 1 CONT'D: SOCIAL VENTURE DATABASE – NUMBER BY SOURCE AND ORGANIZATION TYPE

| SOURCE | Non-Profit | | Cooperative | | Business | | C3 | | Total | |
|---|-------------|------------|-------------|------------|------------|------------|-----------|------------|-------------|------------|
| | # | % | # | % | # | % | # | % | # | % |
| Publicly Accessible List of Websites | | | | | | | | | | |
| LOCO BC The LOCO BC website was consulted to obtain a directory of its members. | 5 | 0 | 3 | 1 | 149 | 29 | | | 157 | 8 |
| Centre for Social Innovation & Impact Investing (CCS iHub) The website provides a list of ventures who have participated in the innovation hub (2013-2014). | 3 | 0 | | | 7 | 1 | | | 10 | 1 |
| Social Enterprise Heroes Participants A list of previous participants can be found on the organization's website. | 2 | 0 | | | 1 | 0 | | | 3 | 0 |
| Referrals from Subject Matter Experts or Steering Committee Members | | | | | | | | | | |
| Vancity (Lists of Impact Businesses and Social Enterprises) | 27 | 3 | 9 | 3 | 98 | 19 | | | 134 | 7 |
| SE Data Set (Canadian Social Enterprise Data Set) | 15 | 1 | 2 | 1 | 77 | 15 | | | 94 | 5 |
| Unpublished Research Paper | 7 | 1 | 1 | 0 | 14 | 3 | | | 22 | 1 |
| Chamber of Commerce Referral | | | | | 2 | 0 | | | 2 | 0 |
| Unknown | 2 | 0 | 1 | 0 | 0 | 0 | | | 3 | 0 |
| Total | 1065 | 100 | 304 | 100 | 509 | 100 | 13 | 100 | 1891 | 100 |

TABLE 1 CONT'D: SOCIAL VENTURE DATABASE – NUMBER BY SOURCE AND ORGANIZATION TYPE

► **A survey of Social Venture organizations in BC**

Once the questionnaire was field tested, email invitations were sent to all 1,891 organizations in the population list. The invitations provided target organizations with a link to an online questionnaire and described other options for completing the survey questionnaire, including by telephone with a representative of Ference Weicker & Company. We also conducted extensive phone and email follow up. Each organization in the database received at least three email reminders and two phone calls. As demonstrated in the following table, of the 1,891 companies that were invited to participate in the survey, 448 visited the website. Of those 448, 346 completed the survey and 8 substantially completed the survey (the respondent may have skipped several questions or a section which he/she perceived as not particularly relevant to their operation or for which they did not have data readily accessible). The 354 respondents completing or substantial completing the survey represents a margin of error of plus or minus 4.7%, 19 times out of 20. The median respondent took about 18 minutes to complete the survey.

| PROVINCE | Total | |
|---|------------|-----------|
| Organizations invited | 1,891 | |
| Number that could not be contacted (e.g. email bounced back or out of office during the term of the project, refused contact) | 0 | |
| Maximum number of organizations contacted | 1,891 | |
| Response | Number | % |
| Completed | 346 | 18% |
| Substantially completed | 8 | 1 |
| Total completed/substantially completed | 354 | 19 |
| Margin of error (95% confidence level) | | +/- 4.7% |
| Begun but not substantially completed | 94 | 5 |
| Total number of respondents | 448 | 24 |

TABLE 2: CALCULATION OF SURVEY RESPONSE RATE

- **Categorization of the social ventures and extrapolation of the findings**
Responses from organizations (including non-profit organizations, Community Contributions Companies, cooperatives, Aboriginal-controlled organizations and businesses) that completed the survey were measured against criteria for placement into the Social Venture sector subgroups defined in Phase I of this research. The following table provides our definition of categories of social ventures and the number of survey participants under each category. As described in the table, of the 354 organizations completing the survey, 219 satisfied the criteria required for inclusion into one of the 9 subgroups comprising the final survey sample. The remaining 139 organizations were excluded from the final analysis as they did not satisfy the study definition of a social venture.

| SUB-GROUP | Social Venture | Criteria | Number Surveyed | Number Included in Final Sample |
|--|----------------|--|-----------------|---------------------------------|
| Non-Profits | | | | |
| Social enterprise | Yes | Non-profit organizations that generate at least 50% of their revenues from the sales of goods and services, are not directly reliant on government contracts for that revenue, and have a social objective, mission or mandate that is proactively communicated to its customers. | 76 | 76 |
| Non-profit enterprise | Yes | Non-profit enterprises are similar to but fall short of being social enterprises because they either do not meet the criteria of generating at least 50% of their revenues from the sales of goods and services (they must generate at least 25% to be included) or they do not proactively communicate their social objectives, mission or mandate to customers and other stakeholders. | 55 | 55 |
| Non-profit contractor | No | Non-profit contractors are non-profit organizations, which have a social mission and generate at least 50% of their revenues from the sales of goods and services but are heavily reliant for that revenue on government contracts. Not classified as social ventures for the purpose of this study. | 14 | Not Included |
| No social mission | No | Non-profits without a Social Mission. | 14 | Not Included |
| Generating < 25% revenues from G&S | No | Non-profits generating less than 25% of their revenues from the sale of goods and services. | 52 | Not Included |

TABLE 3: SURVEY SAMPLE BY SOCIAL VENTURE SUBGROUPS

| SUB-GROUP | Social Venture | Criteria | Number Surveyed | Number Included in Final Sample |
|---|----------------|---|-----------------|---------------------------------|
| Community contribution companies | | | | |
| C3 | Yes | C3s are organizations that have been registered as a Community Contribution Company, which was created to enable entrepreneurs to pursue social goals while generating profits for community purposes and creating opportunities for investors. | 4 | 4 |
| Cooperatives | | | | |
| Social venture coop | Yes | Social Venture Coops are cooperatives that have a social objective, mission or mandate (e.g. social, cultural or environmental) that is proactively communicated to its customers. | 33 | 33 |
| Social impact coop | No | Social Impact Coops are cooperatives that do not have a formal social objective, mission or mandate (e.g. social, cultural or environmental) that is proactively communicated to customers but do generate social impacts (by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available). Not classified as social ventures for the purpose of this study. | 7 | Not included |
| No social mission no self identification as social venture | No | Coops without a social mission and not self-identifying as a social venture. | 8 | Not Included |
| Aboriginal controlled organizations | | | | |
| Aboriginal social venture | Yes | Aboriginal Social Ventures are Aboriginal certified business ventures that have social objectives, missions and/or mandates. | 0 | 0 |
| Aboriginal social purpose business | Yes | Aboriginal Social Impact Businesses are Aboriginal certified business ventures that generate significant social impacts (e.g. by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available). | 0 | 0 |

TABLE 3 CONT'D: SURVEY SAMPLE BY SOCIAL VENTURE SUBGROUPS

| SUB-GROUP | Social Venture | Criteria | Number Surveyed | Number Included in Final Sample |
|--|----------------|---|-----------------|---------------------------------|
| Aboriginal controlled organizations | | | | |
| Aboriginal government contractor | No | Aboriginal Government Contractors are Aboriginal certified ventures that generate at least 25% of their revenues from the sales of goods and services but are heavily reliant for that revenue on contracts with government including Aboriginal government organizations. Not classified as social ventures for the purpose of this study. | 2 | Not included |
| No social mission/ no self identification as a social venture | No | Aboriginal-owned businesses without a social mission and not self-identifying as a social venture. | 3 | Not Included |
| Businesses | | | | |
| Business Arm of a Non-Profit | Yes | The social enterprise (business) is owned by a non-profit organization and has a social mission. | 2 | 2 |
| Business Social Venture | Yes | Business Social Ventures are businesses that have social objectives, mission and/or mandate that are communicated to customers or others and reinvest at least 50% of its profits in a social mandate activity (rather than distributing those profits to owners or shareholders). | 0 | 0 |
| Social Purpose Business | Yes | Social Purpose Businesses are businesses that fall short of being a Business Social Venture (e.g. less than 50% of profits are reinvested) but have a social mission, mandate and social objectives that are their primary reason for being. | 49 | 49 |
| Social Impact Business | No | Social Impact Business are businesses that do not have a social mission, mandate or social objectives as their primary reason for being but do generate significant social impacts (e.g. by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available). Not classified as social ventures for the purpose of this study. | 31 | Not included |
| No social mission/ no social impacts | No | Businesses that told us they have neither a social mission or conduct activities that result in social impacts. | 4 | Not Included |
| Total | | | 354 | 219 |

TABLE 3 CONT'D: SURVEY SAMPLE BY SOCIAL VENTURE SUBGROUPS

We used the criteria demonstrated in the following table to estimate the number of social ventures in our database. Based on number of organizations that were identified as social ventures in each category, we estimated that there are a total 1,127 social ventures in our database, of which 59% (661) are non-profit social ventures or registered charities, 19% (262) are businesses, 17% (191) are cooperatives, and 1% (13) are community contribution companies.

| EXTRAPOLATION METHOD | Non-Profit | Cooperative | Business | C3 | Total |
|--|------------|-------------|----------|------|-------|
| Number of organizations in the final database | 1,065 | 304 | 509 | 13 | 1,891 |
| Number completed | 211 | 48 | 91 | 4 | 354 |
| Percentage of database surveyed | 20% | 16% | 18% | 31% | 19% |
| Number of survey participants determined to be a social venture organization as per our definition | 131 | 33 | 51 | 4 | 219 |
| Extrapolation rate – estimated percentage of social ventures in our database ⁴ | 62% | 62% | 50% | 100% | 60% |
| Estimated number of social ventures in our database | 661 | 191 | 262 | 13 | 1,127 |

TABLE 4: ESTIMATED NUMBER AND TYPE OF SOCIAL VENTURES IN BC

CHALLENGES AND LIMITATIONS

Some of the challenges faced and the mitigation strategies we employed to address them are as follows:

- ▶ **There are significant limitations associated with the existing secondary data related to social ventures in BC.**

The social venture sector is still new and evolving, and although literature on the topic is abundant, the existing secondary data consulted revealed that there is no universally accepted definition of a social venture. While some studies and jurisdictions (including a social enterprise sector survey in BC) have established formal criteria to identify social ventures, the definitions and criteria used vary widely. To fill these gaps, we conducted a large-scale survey and developed a detailed population database which complements the existing secondary data.

⁴ Extrapolation rate has been adjusted for potential response bias among businesses and cooperatives (10%).

- ▶ **There was no existing database containing names, contact information, and data on the organizations active in the sector.**

We constructed a database by bringing together data from various sources including Canada Revenue Agency, the Government of BC Corporate Registry, and WorkSafe BC, as well as directories and existing contact database information provided by subject matter experts and steering committee members. Duplicate entries were merged into unique records for each organization, eliminating organizations which are for-profit or government, and identifying organizations which are no longer active.

- ▶ **Some contact information in the combined database was out-dated or missing.**

Where possible, we updated the contact information (e.g. names, telephone numbers, addresses and emails) in the population list for the social venture organizations. This included an online search for contact information and, when necessary, direct contact with the organizations and listed representatives.

- ▶ **It is often difficult to obtain a high response rate to surveys.**

The response rate among representatives of the social venture sector is impacted by their heavy workload or an under appreciation of the importance of labour market information. To encourage a strong response rate, we distributed a letter explaining the importance of the survey; provided organizations with several ways to complete the survey including online, email, fax, and mail; offered to provide each organization that participates with a summary of the results; and followed up regularly with prospective respondents by email and telephone. We also sent multiple reminders to representatives requesting their participation in the survey and made several follow-up phone calls.

- ▶ **Limitations associated with key informant interviews and case studies.**

Due to their busy schedules, some organizations selected for case studies and key informants identified for interviews declined the option to participate in the study. To address this limitation, we provided a flexible timeframe to participate in the interviews and offered alternative methods of participation (completing a questionnaire in writing). A number of potential case study participants also indicated that, as their operations were small, they did not have the time or the capacity (e.g. alternative staff members) to participate in the interviews.

- ▶ **Lower participation by the community contribution companies (C3s).**

In 2012, the government of BC amended the Business Corporations Act to provide a basic framework for C3s, and in March 2013 passed the Community Contribution Company regulation allowing C3s to be incorporated and operated in BC. At the time of the survey, 21 C3s

were registered in the province, although our preliminary research concluded that only 13 were active. As all C3s are social ventures by nature, we tried to survey all 13 of them. With extensive effort, we were able to survey four C3s as part of this study. As the number of C3s surveyed was too low, we have excluded these organizations when presenting the survey results throughout the report. Instead, we have created a case study report which incorporates findings of this study related to C3s. We have also included findings related to C3s in the final chapter of the report.

STRUCTURE OF THE REPORT

This report is divided into five chapters. The next chapter provides a profile of surveyed organizations in terms of their organizational and ownership structure; length and region of operations; use of employees, contractors, and volunteers; types of social impacts and missions; the level and type of revenues; and sources of capital. Chapter III describes the current staffing of the surveyed organizations in terms of the number of employees, contractors, and volunteers; the positions of those workers; the distribution in terms of gender and other characteristics; the level and reasons for staff turnover; recent and future hiring intentions; the source of new employees; and expenditures on employee training. Chapter IV describes the medium and long term employment demand in the sector in terms of the factors that will determine future demand; existing difficulties and contributing factors in filling employment positions; the competitive advantages and disadvantages of the sector; and expected skills shortages and strategies to mitigate those challenges. Chapter V describes the key issues and challenges facing the sector going forward, and potential actions for government, industry and educators to take in response.

PROFILE OF SOCIAL VENTURE ORGANIZATIONS



This chapter describes the profile of surveyed organizations in the Social Venture sector in terms of their organizational and ownership structure; length and region of operations; the rate of use of employees, contractors, and volunteers; their social impact and missions; level and type of revenue; and sources of capital.

KEY ORGANIZATIONAL ATTRIBUTES

Distribution by Organizational Structure

The social venture employers surveyed included 24 registered charities, 107 other non-profit organizations, 33 co-operatives, and 51 businesses, including 38 incorporated companies, 11 business partnerships or sole-proprietorships, 1 Certified Benefit Corporation, and 1 corporation owned by a charity (Table 5).

| ORGANIZATIONAL STRUCTURE | Non-Profit | Cooperatives | Businesses | All |
|---|------------|--------------|------------|------------|
| | % | % | % | % |
| A non-profit organization | 82 | | | 50 |
| Registered charity | 18 | | | 11 |
| Cooperative | | 100 | | 15 |
| An incorporated company | | | 75 | 18 |
| A business partnership or sole-proprietorship | | | 22 | 5 |
| Certified benefit corporation | | | 2 | 0.5 |
| Corporation owned by a charity | | | 2 | 0.5 |
| Total (number) | 131 | 33 | 51 | 215 |

TABLE 5: ORGANIZATIONAL STRUCTURE OF SOCIAL VENTURE EMPLOYERS SURVEYED

Distribution by Ownership Structure

All organizations surveyed were asked if their organization is majority owned (i.e. 51% or more) by a single individual, members of a family, an Aboriginal person or persons, a non-profit organization, or none of those entities. Most cooperatives (64%) indicated that none of these groups held majority ownership (presumably held by the membership of the organization) and the rest said they were owned by a non-profit organization (36%). About half (51%) of businesses surveyed were owned by a single individual, with 16% held by multiple members of a family, 4% owned by non-profit organizations, and 29% having an ownership structure described by none of these options (Table 6).

| OWNERSHIP | Non-Profit | Cooperatives | Businesses | All |
|------------------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| Single individual | 0 | 0 | 51 | 12 |
| Members of a family | 0 | 0 | 16 | 4 |
| Aboriginal person or persons | 0 | 0 | 0 | 0 |
| Non-profit organization | 100 | 36 | 4 | 67 |
| None of the above | 0 | 64 | 29 | 17 |
| Total (number) | 131 | 33 | 51 | 215 |

TABLE 6: OWNERSHIP STRUCTURE

Self-Identification as a Social Venture Organization

Respondents were asked if they considered their organization to be a social venture. Overall, 70% of those included in the survey analysis positively identified themselves as social venture organizations. One-in-five (19%) said they were unsure about the answer, and 9% did not consider themselves to be social ventures. As described in Table 7, cooperatives were the most likely to perceive themselves as a social venture (85%), and non-profit organizations were the least likely to consider themselves as such (64%).

| SOCIAL VENTURE | Non-Profit | Cooperatives | Businesses | All |
|-----------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| Yes | 64 | 85 | 76 | 70 |
| No | 11 | 0 | 10 | 9 |
| Don't know/unsure | 24 | 15 | 10 | 19 |
| No Answer | 2 | 0 | 4 | 2 |
| Total (number) | 131 | 33 | 51 | 215 |

TABLE 7: SELF IDENTIFIED AS A SOCIAL VENTURE

Length of Operation

The level of organizational turnover appears to be low. A majority of the organizations surveyed (62%) have been in business for more than 10 years, and over one-third (38%) have been operating in BC for more than twenty years. About one-third (35%) of organizations participating in the survey were created within the last 10 years. Among the sub-groups, businesses are the youngest. Sixty-three percent of businesses participating in the survey were created within the last ten years and 42% were created within the last five years. Non-profit social ventures have been operational the longest (average of 18.6 years), as compared to cooperatives (average of 10.4 years) and businesses (average of 8.2 years).

| LENGTH OF OPERATION | Non-Profit | Cooperatives | Businesses | All |
|-------------------------------------|---------------|--------------|--------------|----------------|
| | % | % | % | % |
| Less than 2 years | 2 | 9 | 9 | 6 |
| 2 to 5 years | 12 | 24 | 33 | 20 |
| 6 to 9 years | 4 | 24 | 21 | 10 |
| 10 to 14 years | 11 | 18 | 18 | 14 |
| 15 to 20 years | 11 | 3 | 11 | 10 |
| Over 20 years | 56 | 18 | 6 | 38 |
| No Answer | 3 | 3 | 2 | 3 |
| Total | 131 | 33 | 51 | 215 |
| Average (Based on Midpoints) | 18.6 years | 10.4 years | 8.2 years | 15.1 years |
| Median Answer | Over 20 years | 6 to 9 years | 6 to 9 years | 10 to 14 years |

TABLE 8: LENGTH OF OPERATION

Region of Operations

Social venture organizations operate across all regions of the province. As indicated in Table 9, 39% of businesses and 12% of non-profits and coops operate across the entire province. The highest concentration of social ventures is in the Mainland/Southwest region (37%) and on Vancouver Island/Coast (30%).

| REGION OF OPERATIONS | Non-Profit | Cooperatives | Businesses | All |
|------------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| All of BC | 12 | 12 | 39 | 19 |
| Vancouver Island/Coast | 31 | 39 | 20 | 30 |
| Mainland/Southwest | 35 | 24 | 51 | 37 |
| Thompson/Okanagan | 9 | 6 | 10 | 9 |
| Kootenay | 8 | 24 | 6 | 10 |
| Cariboo | 4 | 6 | 0 | 3 |
| North Coast | 8 | 0 | 0 | 5 |
| Nechako | 2 | 0 | 0 | 1 |
| Northeast | 5 | 0 | 0 | 3 |
| Outside of BC | 4 | 12 | 31 | 12 |
| No Answer | 4 | 0 | 4 | 3 |
| Total (number) | 159 | 41 | 82 | 282 |

Note: Some respondents indicated that they operate in more than one region. Total of 215 social ventures surveyed consisted of 131 non-profits, 33 cooperatives and 51 businesses.

TABLE 9: REGION OF OPERATIONS

Type of Employment

Of the 215 social venture organizations included in the survey analysis, 78% employ workers who are issued a T4 slip, 62% employ individuals on a contract basis, and 68% regularly use volunteers in their operations (Table 10). Non-profits were the most likely to indicate employing T4 workers (88% compared to 55% of cooperatives and 68% of businesses) as well as the regular use of volunteers (82% compared with 79% of cooperatives and just 25% of businesses).

| TYPE OF WORKFORCE | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|--|-----|--------------|----|------------|----|-------|-----|
| | # | % | # | % | # | % | # | % |
| | Employees (i.e. workers are issued a T4 slip) | 115 | 88 | 18 | 55 | 35 | 69 | 168 |
| Contractors (paid individuals or contractors who do not receive a T4 slip) | 83 | 63 | 17 | 52 | 34 | 67 | 134 | 62 |
| Volunteers | 108 | 82 | 26 | 79 | 13 | 25 | 147 | 68 |
| None of the above | 0 | 0 | 1 | 3 | 4 | 8 | 5 | 2 |
| No Answer | 1 | 1 | 0 | 0 | 1 | 2 | 2 | 1 |

Note: Some respondents indicated that they employ several types of individuals. Total of 215 social ventures surveyed consisted of 131 non-profits, 33 cooperatives and 51 businesses.

TABLE 10: TYPE OF EMPLOYMENT

SOCIAL IMPACTS AND CONTRIBUTIONS OF SOCIAL VENTURES

Pursuing a Social Mission

Organizations were asked if they pursued a social mission, mandate or objective as their primary focus. As demonstrated in Table 11, 82% of all organizations answered ‘Yes’ and the remaining 18% answered ‘Somewhat’. All other organizations that answered ‘No’ were not included in the table, as they did not meet our definition of social venture. Cooperatives were more likely to answer ‘yes’ (100%) compared to businesses (65%) and non-profits (84%).

| SOCIAL MISSION | Non-Profit | Cooperatives | Businesses | Total |
|-----------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| Yes | 84 | 100 | 65 | 82 |
| Somewhat | 16 | 0 | 35 | 18 |
| Total (number) | 131 | 33 | 51 | 215 |

TABLE 11: PURSUIT OF A SOCIAL MISSION, MANDATE OR OBJECTIVE

Survey respondents were asked to describe their social mission, mandate or objective. As indicated in Table 12, the organizations surveyed are most frequently focused on sustainability and environmental conservation/education related to clean energy, waste reduction, transportation or climate change (17%), the promotion or provision of arts, recreational, and cultural opportunities (16%), jobs and skills training, including employment generation for people with multiple barriers to employment and youth (13%), the provision of childcare or other forms of early childhood education (8%), and food security (8%).

| MISSION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Sustainability/environmental conservation and education (clean energy, waste reduction, climate change, transportation) | 9 | 7 | 14 | 42 | 13 | 25 | 36 | 17 |
| Arts/recreation provision/promotion | 32 | 24 | 2 | 6 | 0 | 0 | 34 | 16 |
| Job/skills training, employment generation (e.g. youth, multi-barriered individuals) | 18 | 14 | 6 | 18 | 3 | 6 | 27 | 13 |
| Childcare provision, early childhood education | 16 | 12 | 1 | 3 | 1 | 2 | 18 | 8 |
| Food security (e.g. seniors) | 7 | 5 | 6 | 18 | 5 | 10 | 18 | 8 |
| Affordable housing | 5 | 4 | 5 | 15 | 0 | 0 | 10 | 5 |
| Supporting the sector/developing co-ops, mentoring leadership | 3 | 2 | 4 | 12 | 3 | 6 | 10 | 5 |
| Community building | 5 | 4 | 0 | 0 | 4 | 8 | 9 | 4 |
| Access to health/dental/emotional healing services | 7 | 5 | 0 | 0 | 1 | 2 | 8 | 4 |
| Addressing impacts of poverty | 4 | 3 | 0 | 0 | 0 | 0 | 4 | 2 |
| Investment in socially beneficial organizations | 1 | 1 | 0 | 0 | 3 | 6 | 4 | 2 |
| Local economic development | 1 | 1 | 2 | 6 | 0 | 0 | 3 | 1 |
| Global justice/fair trade | 1 | 1 | 0 | 0 | 1 | 2 | 2 | 1 |
| Provide/expand internet access in BC | 2 | 2 | 0 | 0 | 0 | 0 | 2 | 1 |
| Promoting women's equality | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Providing services to people with disabilities | 2 | 2 | 0 | 0 | 0 | 0 | 2 | 1 |
| No Answer | 23 | 18 | 1 | 3 | 18 | 35 | 42 | 20 |

Note: Some respondents indicated more than one mission. The total 215 social ventures surveyed consist of 131 non-profits, 33 cooperatives and 51 businesses.

TABLE 12: SOCIAL MISSION OF SOCIAL VENTURES SURVEYED

More detailed information about the nature of the social/environmental impacts generated by social ventures is provided through the case study reviews. Some examples of social and environmental mandates or missions among the case study organizations included:

- ▶ Producing, providing or using sustainable and environmentally focused products and services such as a waterless car wash service, a line of eco-friendly clothing, car-sharing services that help reduce the number of cars on the road, installation of electric vehicle supply equipment (EVSE), a used construction materials store that helps divert waste from landfills, a line of washable cloth menstrual pads, and organic sustainably grown food (e.g. affordable vegan and organic meals).
- ▶ Providing employment opportunities to youth, Aboriginal youth, youth who have experienced homelessness and addiction issues, or to individuals that face barriers to employment.
- ▶ Increasing access, awareness, information and support regarding environmental and social issues through research, education, consulting services, publishing, and increased presence in traditional or online media.
- ▶ Addressing complex social issues currently not being addressed by government or other sectors such as providing access to healthy meals for seniors, helping break the cycle of poverty through homebuilding initiatives, car sharing services which reduce the use of resources and provide affordable access to vehicles, and a dental clinic which provides services to low income families and individuals.

Social Impacts Generated

Social ventures were asked to indicate which types of social impacts were generated by their operations. As indicated in Table 13 on the following page, the impacts mentioned most often included producing products or services such as environmental products, organic foods or services such as housing, arts, education and training that have an inherently positive social impact (noted by 72% of respondents) and providing systematic solutions to social issues (48%). Cooperatives were the most likely to indicate that they provide products or services in communities or rural areas where they would not otherwise be available (61% of cooperatives, compared to 37% of non-profits and 22% of businesses) and were the most likely to report allocating a share of their profits to a social mandate activity (39% of cooperatives compared to 22% of businesses).

The case studies demonstrated indicated that many social ventures generate social/environmental impacts in multiple areas through their operations and activities. Some examples of social ventures examined in the case studies that generate impacts in multiple areas include:

- ▶ An organization that produces washable menstrual pads (environmental impact) whose larger mission is to help empower young women and girls in developing countries;

- ▶ An organization that helps channel private investment into socially focused projects that help to raise awareness of the importance of social ventures;
- ▶ A waterless car wash service that employs multi-barriered and homeless youth;
- ▶ A retail store that sells used construction and building materials to fund homebuilding initiatives that also helps to reduce waste going into the city's landfills;
- ▶ Car sharing services that provide affordable access to vehicles, help reduce the number of cars on the road, and help reduce the rates of fuel consumption by using energy-efficient hybrid and electric vehicles.

| SOCIAL IMPACT | Non-Profit | Cooperatives | Businesses | Total |
|---|------------|--------------|------------|-------|
| | % | % | % | % |
| Producing products or services considered to have an inherently positive social impact (e.g. environmental products, organic foods or services such as housing, arts, education and training, retail/thrift shop, food services/catering, and arts) | 73 | 64 | 76 | 72 |
| Providing systemic solutions to social issues (e.g. poverty, inequality, education, the environment, and economic development) | 42 | 67 | 53 | 48 |
| Employing a delivery model which, itself, fosters positive social impacts (e.g. employs under-represented groups, offers opportunities for subsidized employment, employs fair or ethical business practices, and operates in a transparent and responsible manner) | 45 | 61 | 39 | 46 |
| Providing products or services in communities or rural areas where they would not otherwise be available | 37 | 61 | 22 | 37 |
| Allocating at least a share of your profits to a social mandate activity | - | 39 | 22 | 11 |
| None of the above | 4 | 3 | 0 | 3 |

Note: Some respondents indicated more than one social impact. Total of 215 social ventures surveyed consists of 131 non-profits, 33 cooperatives and 51 businesses.

TABLE 13: TYPES OF SOCIAL IMPACTS GENERATED

Social ventures were asked in the survey if the impacts they identified were the primary reason their organization exists, a key reason, or a positive by-product of its operations. Overall, 53% indicated that it was the primary reason for their organization to exist, 33% said it was one of the key reasons, and 14% said that social impacts were best described as a positive by product of operations. Non-profits (72%) and cooperatives (62%) were most likely to call the social impacts the key reason for existing, while businesses most often placed the social impacts on par with other key reasons for existing (50%).

| REASON | Non-Profit | Cooperatives | Businesses | All |
|--|------------|--------------|------------|------------|
| | % | % | % | % |
| Primary reason why the organization exists | 72 | 62 | 35 | 53 |
| One of the key reasons why the organization exists | 13 | 27 | 50 | 33 |
| A positive by-product of its operations | 16 | 12 | 15 | 14 |
| Total (number) | 32 | 26 | 46 | 104 |

TABLE 14: ROLE OF SOCIAL IMPACT IN ORGANIZATIONAL PURPOSE

Communicating Social Mission

One hundred and seventy-six respondents who indicated that they pursue a social mission, mandate or objective (i.e. answering ‘yes’ as opposed to ‘somewhat’ or ‘no’) were asked the degree to which they communicate their mission, mandate or objective to their customers (Table 15). Three quarters (76%) reported that they do proactively communicate their social mission and 23% reported that they communicate their mission ‘somewhat’.

| COMMUNICATING SOCIAL MISSION | Non-Profit | Cooperatives | Businesses | All |
|------------------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| Yes | 74 | 79 | 79 | 76 |
| Somewhat | 25 | 21 | 21 | 23 |
| No | 1 | 0 | 0 | 1 |
| Don't know | 0 | 0 | 0 | 0 |
| No answer | 1 | 0 | 0 | 1 |
| Total (number) | 110 | 33 | 33 | 176 |

TABLE 15: COMMUNICATING SOCIAL MISSION

Tracking and Reporting Social Impacts

Organizations that indicated they generated a social impact were asked if they track and report those impacts. As demonstrated in Table 16, 40% of respondents indicated that their organizations were formally involved in tracking and reporting the social impacts generated by their operations. Approximately half (48%) of non-profits, 40% of cooperatives and 34% of businesses indicated that they formally track and report the social impacts generated by their organizations. In addition, one non-profit and three business organizations indicated they plan to start measuring their social impact soon.

| INVOLVED IN TRACKING SOCIAL IMPACTS | Non-Profit | Cooperatives | Businesses | All |
|-------------------------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| Yes | 48 | 40 | 34 | 40 |
| No | 48 | 60 | 60 | 56 |
| No, but planning to commence | 3 | 0 | 6 | 4 |
| Don't know | 0 | 0 | 0 | 0 |
| Total (number) | 33 | 25 | 47 | 105 |

TABLE 16: TRACKING AND REPORTING SOCIAL IMPACTS

Profit Reinvestment

Businesses and cooperatives participating in the survey were asked if they reinvest a share of their profit in their social mission. Among all surveyed, only 21 indicated that they reinvest a share of their profit to achieve their social mission. Of those twenty-one organizations, thirteen were able to estimate the percent of their profits that are reinvested in the social mandate of their organization or donated to others rather than distributed to owners or shareholders. As described in Table 17, about half (46%) indicated that the amount reinvested or donated was less than 10% of profits, and one third (31%) indicated that 100% of their profits are reinvested or donated. The reported reinvestment rate averaged 39% among cooperatives and 27% among businesses.

| LEVEL OF REINVESTMENT (% OF PROFITS) | Non-Profit | Cooperatives | Businesses | All |
|---|-------------------|---------------------|-------------------|------------|
| | % | % | % | % |
| 1% - 9% | - | 43 | 50 | 46 |
| 10% - 24% | - | 14 | 17 | 15 |
| 25% - 99% | - | 0 | 17 | 8 |
| 100% | - | 43 | 17 | 31 |
| Total (number) | - | 7 | 6 | 13 |
| Average Reinvested | - | 39 | 27 | 34 |

TABLE 17: LEVEL OF PROFIT REINVESTMENT

Among those social ventures who reinvest profits into a social mandate, 65% of survey participants reinvested in the social mandate of their organization, 30% reinvested in the socially mandated activities of a related organization and 40% donated profits for use in the social mandate activities of a non-related organization. Cooperatives were more likely to reinvest in the social mandate of their own organization and businesses were more likely to reinvest in the social mandate activities of a non-related organization.

| DIRECTION OF REINVESTED PROFITS | Non-Profit | Cooperatives | Businesses | All |
|--|-------------------|---------------------|-------------------|------------|
| | % | % | % | % |
| Reinvested in the social mandate activities of their organization | - | 92 | 25 | 65 |
| Reinvested in the social mandate activities of a related organization | - | 33 | 25 | 30 |
| Donated for use in the social mandate activities of a non-related organization | - | 17 | 75 | 40 |
| Other | - | 0 | 50 | 20 |
| Total (number) | - | 12 | 8 | 20 |

TABLE 18: DIRECTION OF REINVESTED PROFITS

REVENUES AND SOURCES OF CAPITAL

Social Venture Revenues

Of the 215 organizations included in the survey analysis, 97% (208) provided information on their revenues for the most recent fiscal year. Nearly half (46%) of survey participants reported annual revenues of less than \$250,000, and 21% reported revenues of over \$1 million. The median range of revenues among all social venture organizations was \$250,000 - \$499,000 for their most recent fiscal year. Non-profit organizations reported significantly higher revenues (median range of \$250,000 to \$499,000) than either businesses (\$100,000 to \$249,999) or cooperatives (\$50,000 to \$99,999).

| LEVEL OF REVENUES | Non-Profit | Cooperatives | Businesses | All |
|----------------------------|------------------------|----------------------|------------------------|------------------------|
| | % | % | % | % |
| Less than \$25,000 | 6 | 36 | 12 | 12 |
| \$25,000 to \$49,999 | 9 | 3 | 6 | 7 |
| \$50,000 to \$99,999 | 9 | 12 | 6 | 9 |
| \$100,000 to \$249,999 | 18 | 12 | 24 | 18 |
| \$250,000 to \$499,999 | 18 | 6 | 16 | 15 |
| \$500,000 to \$999,999 | 18 | 6 | 8 | 13 |
| \$1,000,000 to \$2,499,999 | 11 | 15 | 18 | 13 |
| \$2,500,000 to \$4,999,999 | 5 | 0 | 4 | 4 |
| \$5,000,000 to \$9,999,999 | 2 | 6 | 2 | 3 |
| \$10,000,000 or more | 1 | 3 | 0 | 1 |
| No Answer | 3 | 0 | 6 | 3 |
| Total (number) | 131 | 33 | 51 | 215 |
| Median range | \$250,000 to \$499,999 | \$50,000 to \$99,999 | \$100,000 to \$249,999 | \$250,000 to \$499,999 |

TABLE 19: REVENUES OF SOCIAL VENTURE ORGANIZATIONS

Revenues from the Sale of Goods and Services

Organizations were asked to indicate the percentage of their revenues generated from the sale of goods and services. Businesses were the most reliant on the sale of goods and services, on average, with two-thirds (65%) saying it accounts for all of their revenue. Cooperatives appeared the most polarized. While revenues generated by sales of goods and services were the main source of income for most cooperatives, for about one-fifth of cooperatives (18%) such revenues accounted less than 26% of their overall income.

| % OF REVENUES FROM THE SALE OF GOODS AND SERVICES | Non-Profit | Cooperatives | Businesses | All |
|---|------------|--------------|------------|------------|
| | % | % | % | % |
| 0% | 0 | 6 | 0 | 1 |
| 1 - 10% | 0 | 3 | 0 | 0 |
| 11 - 25% | 3 | 9 | 0 | 3 |
| 26 - 50% | 21 | 0 | 0 | 13 |
| 51 - 75% | 25 | 6 | 8 | 18 |
| 75 - 99% | 30 | 30 | 20 | 27 |
| 100% | 15 | 45 | 65 | 32 |
| No answer | 5 | 0 | 8 | 5 |
| Total (number) | 131 | 33 | 51 | 215 |

TABLE 20: PROPORTION OF REVENUES FROM THE SALE OF GOODS AND SERVICES

Reliance on Government Contracts

As described in Table 21, the majority (71%) of social ventures included in the analysis have generated no revenues from ongoing contracts with government. Using a midpoint calculation, the average non-profit reported that government contracts accounted for 6.4% of their revenues from the sale of goods and services, the average cooperative reported a 3.3% rate, and the average business reported 2.5%.

| % OF GOODS AND SERVICES REVENUE FROM GOVERNMENT CONTRACTS | Non-Profit | Cooperatives | Businesses | All |
|--|------------|--------------|------------|------------|
| | % | % | % | % |
| 0% | 62 | 80 | 87 | 71 |
| 1 - 10% | 15 | 8 | 4 | 12 |
| 11 - 25% | 14 | 8 | 4 | 11 |
| 26 - 50% | 8 | 4 | 4 | 7 |
| 51 - 75% | 0 | 0 | 0 | 0 |
| 75 - 99% | 0 | 0 | 0 | 0 |
| 100% | 0 | 0 | 0 | 0 |
| Total (number) | 119 | 25 | 47 | 191 |
| Average (Based on Midpoints) | 6.4% | 3.3% | 2.5% | 5.1% |

TABLE 21: RELIANCE ON GOVERNMENT CONTRACTS

Sources of Capital

Internally generated funds (71%), contributions from government funding (33%), and private donors or corporate gifts (29%) accounted for the main source of capital for most respondents (Table 22). Compared to other types of social venture organizations, non-profits were more likely to report contributions from government funding as well as private donors or corporate gifts as their primary source of capital. Cooperatives were more likely to report membership fees (45%), funding from the founding shareholders (42%), and loans from financial institutions (30%) as their primary source of capital. Businesses were most reliant on internally generated funds (75%), funding from founding shareholders (45%), and loans from financial institutions (43%), however within businesses the ownership structure did have an impact on the sources of capital most often indicated by survey respondents. For example, individual and family-owned businesses were more likely to indicate using internally generated funds for business development (88% of responding organizations), whereas businesses not majority-owned by an individual or a family were more likely to indicate relying on funding from the founding shareholders (61%) and loans from financial institutions (61%).

| SOURCE OF CAPITAL | Non-Profit | Cooperatives | Businesses | All |
|--|------------|--------------|------------|------------|
| | % | % | % | % |
| Internally generated funds | 72 | 64 | 75 | 71 |
| Contributions from government funding | 49 | 18 | 0 | 33 |
| Private donors or corporate gifts | 43 | 18 | 2 | 29 |
| Membership fees | 25 | 45 | 8 | 24 |
| Loans from financial institutions | 10 | 30 | 43 | 21 |
| Funding from founding shareholders | 5 | 42 | 45 | 20 |
| Funding from the parent organization | 11 | 6 | 6 | 9 |
| Non-bank loan (e.g. friends or family) | 4 | 12 | 14 | 7 |
| Social investors | 6 | 12 | 4 | 7 |
| Venture capitalists or angel investors | 2 | 3 | 4 | 2 |
| Fee for service | 2 | 0 | 0 | 1 |
| No Answer | 2 | 0 | 2 | 2 |
| Total (number) | 302 | 83 | 103 | 488 |

Note: Some respondents indicated more than one source of capital. Total of 215 social ventures surveyed consists of 131 non-profits, 33 cooperatives and 51 businesses.

TABLE 22: SOURCE OF CAPITAL FOR BUSINESS DEVELOPMENT

CURRENT LABOUR MARKET



This chapter presents the results of the survey regarding labour market conditions in BC's social venture sector, including the size of the workforce in terms of the number of employees, contractors and volunteers; the level and reasons for staff turnover; hiring intentions; the source of new employees; and expenditures on employee training.

SIZE AND COMPOSITION OF THE WORKFORCE

Use of Employees, Contractors and Volunteers

Many social venture organizations included in the survey analysis are relatively small. As described in Table 23, 22% of social ventures have no employees, one-quarter (26%) have fewer than 5 employees and 46% have fewer than 10 regular employees. Only 7 social ventures (3%) have more than 50 employees.

| NUMBER OF VOLUNTEERS | Non-Profit | Cooperatives | Businesses | All |
|----------------------|------------|--------------|------------|-----|
| | % | % | % | % |
| 1 to 4 | 10 | 18 | 12 | 12 |
| 5 to 9 | 17 | 30 | 8 | 17 |
| 25 to 49 | 11 | 15 | 2 | 10 |
| 50 to 99 | 15 | 15 | 2 | 12 |
| 100 to 249 | 17 | 0 | 0 | 10 |
| 250+ | 11 | 0 | 0 | 7 |
| Not indicated | 2 | 0 | 2 | 1 |

TABLE 23: LEVEL OF EMPLOYMENT

| NUMBER OF EMPLOYEES | Non-Profit | | Cooperatives | | Businesses | | All | |
|---|------------|--|--------------|--|------------|--|------------|--|
| | % | | % | | % | | % | |
| No Volunteers | 18 | | 21 | | 75 | | 32 | |
| Total (number) | 103 | | 33 | | 51 | | 215 | |
| Average Number of Volunteers Per Organization | 103 | | 17 | | 4 | | 66 | |

TABLE 23 CONT'D: LEVEL OF EMPLOYMENT

As part of the survey, respondents were asked to identify the number of full-time, part-time and casual workers that they employed. As indicated in Table 24, 168 survey participants who indicated that their organization employed at least one worker reported employing a total of 1,310 full time workers and 967 part-time workers for a total of 2,277 employees (16%, or 357, of which were temporary employees). Additionally, 125 organizations reported a total of 947 contract staff. The average non-profit reported 12.9 employees and 5.9 contractors, the average cooperative reported 5.8 employees and 2.0 contractors, and the average business surveyed reported 7.8 employees and 2.2 contractors.

| TYPE OF EMPLOYMENT | Non-Profit | | Cooperatives | | Businesses | | All | |
|--|-------------|-----|--------------|-----|------------|-----|-------------|-----|
| | # | % | # | % | # | % | # | % |
| Organizations Reporting Employees | 115 | | 18 | | 35 | | 168 | |
| Number of Full Time Employees | 935 | 55 | 107 | 56 | 268 | 68 | 1310 | 58 |
| Number of Part Time Employees | 755 | 45 | 84 | 44 | 128 | 32 | 967 | 42 |
| Total Number of Employees | 1690 | 100 | 191 | 100 | 396 | 100 | 2277 | 100 |
| Temporary Employees (Among total) | 304 | 18 | 16 | 8 | 37 | 9 | 357 | 16 |
| Organizations Reporting Contractors | 75 | | 16 | | 34 | | 125 | |
| Total Contract Workers | 770 | | 66 | | 111 | | 947 | |
| Total Workers (Employees & Contractors) | 2460 | | 257 | | 507 | | 3224 | |
| Average # of Employees ⁵ | 12.9 | | 5.8 | | 7.8 | | 10.6 | |
| Average # of Contractors ⁶ | 5.9 | | 2.0 | | 2.2 | | 4.4 | |

TABLE 24: TYPE OF EMPLOYMENT

5. Averages include organizations not reporting employees or contractors. 6. Averages include organizations not reporting employees or contractors

Use of Volunteers

Survey respondents were asked to report the number of individuals that have volunteered with for their organization over the past year. As described in Table 25, twelve percent reported 1-9 volunteers, seventeen percent reported 10-24, ten percent reported 25-49, twelve percent reported 50-99, ten percent reported 100-249, and seven percent reported over 250 volunteers. Nearly one-third (32%) of respondents reported that they did not use any volunteers over the past year. The average non-profit organization reported having 103 volunteers, the average cooperative reported 17, and the average business reported using 4 volunteers over the past year.

| NUMBER OF VOLUNTEERS | Non-Profit | Cooperatives | Businesses | All |
|--|------------|--------------|------------|------------|
| | % | % | % | % |
| 1 - 9 | 10 | 18 | 12 | 12 |
| 10 - 24 | 17 | 30 | 8 | 17 |
| 25 - 49 | 11 | 15 | 2 | 10 |
| 50 - 99 | 15 | 15 | 2 | 12 |
| 100 - 249 | 17 | 0 | 0 | 10 |
| 250 + | 11 | 0 | 0 | 7 |
| Not indicated | 2 | 0 | 2 | 1 |
| No volunteers | 18 | 21 | 75 | 32 |
| Total (number) | 103 | 33 | 51 | 215 |
| Average Number of Volunteers Per Organization | 103 | 17 | 4 | 66 |

TABLE 25: LEVEL OF VOLUNTEERISM

CHARACTERISTICS OF STAFF MEMBERS

Employment by Function

Of the total of 2,277 employees reported by the survey participants, the largest share (46%) work in positions related to delivering services for clients, programs or projects (Table 26). Seventeen percent work in positions related to producing products for clients or customers, and 10% work in support functions such as accounting, finance, human resources, IT, strategic planning, etc. Eight percent of employees are senior managers, 8% work in sales, marketing or fundraising positions, and 8% work in semi-skilled or unskilled positions.

| FUNCTION | Non-Profit | Cooperatives | Businesses | All |
|--|-------------|--------------|------------|-------------|
| | % | % | % | % |
| Delivering services for clients, programs or projects | 54 | 37 | 17 | 46 |
| Producing products for clients | 12 | 18 | 39 | 17 |
| Skilled support functions (e.g. accounting, bookkeeping, finance, human resources, information technology, legal/paralegal, communications, planning and policy, and administrative support) | 10 | 16 | 8 | 10 |
| Managing the operation (e.g. Executive Director, Chief Executive Officer, President, Chief Operating Officer or Principal) | 6 | 15 | 12 | 8 |
| Sales, marketing or fundraising positions directly involved in generating revenues or funding for the organization (e.g. marketing, fundraising, or membership sales) | 8 | 3 | 8 | 8 |
| Semi-skilled or unskilled support functions (e.g. labourers, cleaners) | 6 | 13 | 15 | 8 |
| Other types of positions | 3 | 0 | 0 | 2 |
| Total (number) | 1690 | 191 | 396 | 2277 |

TABLE 26: EMPLOYMENT BY FUNCTION

Distribution of Contractors by Function

Of the total 947 contractors reported, 64% work to deliver services for their clients, programs or projects, 10% work in skilled support functions, 9% work to produce products for clients of the organization, 5% work in semi-skilled or unskilled support positions, 2% manage the operation, and 2% work in sales, marketing or fundraising positions (Table 27).

| FUNCTION | Non-Profit | Cooperatives | Businesses | All |
|---|------------|--------------|------------|------------|
| | % | % | % | % |
| Delivering services for clients, programs or projects | 72 | 39 | 23 | 64 |
| Producing products for clients | 7 | 8 | 26 | 9 |
| Skilled support functions | 6 | 27 | 26 | 10 |
| Semi-skilled or unskilled support functions | 5 | 11 | 8 | 5 |
| Managing the operation | 1 | 8 | 5 | 2 |
| Sales, marketing or fundraising | 2 | 4 | 2 | 2 |
| Other types of positions | 7 | 5 | 9 | 7 |
| Total staff | 770 | 66 | 111 | 947 |

TABLE 27: CONTRACT STAFF BY FUNCTION

Reasons for Using Contractors

When survey respondents were asked for the primary reasons for employing contractors rather than hiring permanent or temporary employees, two-thirds of respondents (66%) indicated that the position or work is only part-time or temporary; 21% indicated that the cost of using contractors is less than hiring an employee; 20% reported that the contractor was not willing or able to join the organization as an employee; and 4% were unable to find a suitable candidate (Table 28). Other reasons mentioned included the fact that contractors function as independent workers and receive payment based on commission, which is not well suited to employees (7); using contractors allows the organization to access specialized skills (3); and the company is new or in transition and lacks the certainty required to hire permanent employees (3).

| REASON | Non-Profit | Cooperatives | Businesses | All |
|--|------------|--------------|------------|------------|
| | % | % | % | % |
| The position or work is only part-time or temporary | 68 | 81 | 56 | 66 |
| The cost of hiring a contractor is less than hiring an employee | 14 | 38 | 29 | 21 |
| The contractor was not willing or able to join the organization as an employee | 17 | 13 | 32 | 20 |
| Could not find a suitable candidate | 4 | 0 | 6 | 4 |
| Other | 14 | 6 | 12 | 13 |
| Not sure or don't know | 6 | 6 | 0 | 5 |
| Not sure or don't know | 6 | 6 | 0 | 5 |
| Total (number) | 77 | 16 | 34 | 127 |

Note: Some respondents indicated more than one reason. Total of 127 respondents consists of 77 from non-profits, 16 from cooperatives and 34 from businesses.

TABLE 28: RATIONALE FOR USING CONTRACT STAFF

Gender and Other Characteristics

According to survey participants, 68% of employees in social ventures are female and 32% are male. Only 5 individuals were reported to be transgender (Table 29).

| GENDER | Non-Profit | Cooperatives | Businesses | All |
|-----------------------|-------------|--------------|------------|-------------|
| | % | % | % | % |
| Female | 72 | 64 | 50 | 68 |
| Male | 28 | 35 | 50 | 32 |
| Transgender | 0.2 | 1 | 0.3 | 0.2 |
| Not accounted for | 0.2 | 0 | 0 | 0.2 |
| Total (number) | 1690 | 191 | 396 | 2277 |

TABLE 29: COMPOSITION OF THE WORK FORCE BY GENDER

According to survey participants, 39% of their workers have a university education, 31% have professional credentials, 18% are under the age of 25 and 13% are over the age of 55, 32% were hired over the last two years, 3% are of Aboriginal background, 3% are recent immigrants who came to Canada within the past five years, 3% are supported by a wage subsidy from the BC Government, and 5% are people who face multiple barriers to employment (Table 30).

In general, the characteristics of the work force are somewhat similar between non-profits, cooperatives, and businesses. Non-profits have a higher proportion of professionally credentialed employees (38% compared to 10% among cooperatives and 14% among businesses), cooperatives have a higher proportion of older (aged 55 or older) employees (23% compared to 13% of non-profits and 8% of businesses), and businesses have a higher proportion of new employees who have been hired in the past 2 years (compared with 30% of non-profit employees and 30% of cooperatives).

| CHARACTERISTICS | Non-Profit | Cooperatives | Businesses | All |
|--|-------------|--------------|------------|-------------|
| | % | % | % | % |
| University Educated | 38 | 43 | 43 | 39 |
| Professionally credentialed | 38 | 10 | 14 | 31 |
| Under the age of 25 | 17 | 17 | 23 | 18 |
| 55 years of age or older | 13 | 23 | 8 | 13 |
| Hired in the past 2 years | 30 | 30 | 42 | 32 |
| Aboriginal | 3 | 1 | 3 | 3 |
| Recent immigrants who moved to Canada in the past 5 years | 3 | 1 | 5 | 3 |
| Supported with a wage subsidy from the Government of BC | 2 | 5 | 4 | 3 |
| People who face multiple barriers to employment that directly interfere with their ability to access, find and keep employment | 4 | 10 | 6 | 5 |
| Total Employees | 1690 | 191 | 396 | 2277 |

TABLE 30: COMPOSITION OF THE WORK FORCE BY SELECTED CHARACTERISTICS

STAFF RETENTION RATES

Level and Reasons for Staff Turnover

Overall, staff turnover does not appear to be a serious problem for the organizations surveyed. Sixty percent of those reporting their turnover indicated it was between 0% and 5% in the past year, seven percent reported a rate between 6% and 10%, and only 13 per cent indicated it was more than 25% (Table 31).

| ANNUAL TURNOVER RATE | Non-Profit | Cooperatives | Businesses | All |
|----------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| 0 - 5% | 57 | 50 | 74 | 60 |
| 6 - 10% | 6 | 13 | 5 | 7 |
| 11 - 15% | 4 | 4 | 5 | 4 |
| 16 - 20% | 7 | 8 | 2 | 6 |
| 21 - 25% | 6 | 4 | 5 | 6 |
| 26 - 30% | 0 | 8 | 0 | 1 |
| 31 - 50% | 4 | 4 | 2 | 4 |
| Over 50% | 10 | 8 | 2 | 8 |
| Unsure | 5 | 0 | 5 | 4 |
| Total number | 115 | 24 | 42 | 181 |

TABLE 31: ANNUAL TURNOVER RATE

The primary reasons for staff turnover include workers leaving to take a job with another employer (identified as a major reason by 31% of organizations), the seasonal nature of the work (a major reason for 28%), poor work performance resulting in termination (22%), workers leaving for family reasons (14%), non-seasonal fluctuations in the volume of work (10%), and retirement or employee health issues (10%).

| POSITIONS | Major Reason | Somewhat of a Reason | Not a Reason | Total |
|--|--------------|----------------------|--------------|-------|
| Non-profits (n=52) | | | | |
| Workers leaving to take a job with another employer | 33% | 30% | 37% | 100% |
| The seasonal nature of your work | 33% | 23% | 44% | 100% |
| Poor work performance resulting in termination | 22% | 15% | 63% | 100% |
| Workers leaving for family reasons | 12% | 22% | 66% | 100% |
| Non-seasonal fluctuations in the volume of your work | 10% | 17% | 73% | 100% |
| Retirement or employee health issues | 10% | 5% | 85% | 100% |
| Labour disruptions in your company or others | 3% | 0% | 97% | 100% |
| Other reasons | 19% | 25% | 56% | 100% |
| Cooperatives (n=9) | | | | |
| Poor work performance resulting in termination | 29% | 14% | 57% | 100% |
| Workers leaving to take a job with another employer | 24% | 63% | 13% | 100% |
| The seasonal nature of your work | 22% | 22% | 56% | 100% |
| Non-seasonal fluctuations in the volume of your work | 14% | 0% | 86% | 100% |
| Workers leaving for family reasons | 14% | 15% | 71% | 100% |
| Retirement or employee health issues | 13% | 37% | 50% | 100% |
| Labour disruptions in your company or others | 0% | 0% | 100% | 100% |
| Other reasons | 33% | 34% | 33% | 100% |

TABLE 32: REASONS FOR STAFF TURNOVER

| POSITIONS | Major Reason | Somewhat of a Reason | Not a Reason | Total |
|--|--------------|----------------------|--------------|-------|
| Businesses (n=7) | | | | |
| Workers leaving to take a job with another employer | 28% | 36% | 36% | 100% |
| The seasonal nature of your work | 20% | 50% | 30% | 100% |
| Workers leaving for family reasons | 20% | 20% | 60% | 100% |
| Poor work performance resulting in termination | 18% | 9% | 73% | 100% |
| Retirement or employee health issues | 10% | 10% | 80% | 100% |
| Non-seasonal fluctuations in the volume of your work | 9% | 27% | 64% | 100% |
| Labour disruptions in your company or others | 0% | 10% | 90% | 100% |
| Other reasons | 33% | 11% | 56% | 100% |
| Total (n=68) | | | | |
| Workers leaving to take a job with another employer | 31% | 35% | 34% | 100% |
| The seasonal nature of your work | 29% | 27% | 44% | 100% |
| Poor work performance resulting in termination | 22% | 14% | 64% | 100% |
| Workers leaving for family reasons | 14% | 21% | 65% | 100% |
| Non-seasonal fluctuations in the volume of your work | 10% | 17% | 73% | 100% |
| Retirement or employee health issues | 10% | 10% | 80% | 100% |
| Labour disruptions in your company or others | 2% | 2% | 96% | 100% |
| Other reasons | 19% | 19% | 62% | 100% |

TABLE 32 CONT'D: REASONS FOR STAFF TURNOVER

CHANGE IN EMPLOYMENT

Recent Growth in Employment and Contractor Levels

According to the organizations surveyed, the number of workers has been increasing steadily over the past five years. As indicated in the following table, 55% of survey participants reported that the number of workers (i.e. employees and contractors) employed today is higher than five years ago, 33% reported that the number of workers is the same as it was five years ago, and 10% reported that the number of workers is now less than it was five years ago.

| CHANGE IN NUMBER OF WORKERS | Non-Profit | Cooperatives | Businesses | All |
|-----------------------------------|------------|--------------|------------|------------|
| | % | % | % | % |
| Less than it was five years ago | 10 | 22 | 4 | 10 |
| The same as it was five years ago | 34 | 39 | 25 | 33 |
| Higher than it was five years ago | 54 | 39 | 71 | 55 |
| Don't know/Not sure | 2 | 0 | 0 | 1 |
| Total (number) | 103 | 18 | 24 | 145 |

Note: Number of workers in the above table includes the number of employees and the number of contractors.

TABLE 33: CHANGE IN NUMBER OF WORKERS

Table 34 indicates the percentage of survey participants who provided information on their employment five years ago and at the time of the survey. Average employment has increased by approximately 43%, from 11.2 employees per organization in 2010 to 16.0 employees per organization at the time of the survey. Businesses in the sector have experienced the highest employment growth (117%) compared to non-profits (34%) and cooperatives (29%).

| RESPONSE | Non-Profits | Cooperatives | Businesses | Total |
|---|-------------|--------------|------------|-------|
| Number of organizations reporting current employment and employment 5 years ago | 56 | 10 | 17 | 83 |
| Total employment 5 years ago | 751 | 76 | 105 | 932 |
| Total current employment | 1004 | 98 | 228 | 1330 |
| Percentage Growth | 34% | 29% | 117% | 43% |
| Average current number of employees per organization | 17.9 | 9.8 | 13.4 | 16.0 |
| Average number of employees per organization 5 years ago | 13.4 | 7.6 | 6.2 | 11.2 |

TABLE 34: GROWTH IN EMPLOYMENT OVER PAST 5 YEARS

Recent Hirings

Employers were asked to recall how many employees they hired to fill new positions or to replace staff members who had left their organization over the past year. Overall, these organizations reported 533 new hires, or 23% of all the employees reported (Table 35). This amounts to 2.7 new hires in the past year for every non-profit surveyed, 1.6 new hires per cooperative, and 2.5 new hires per business.

| RECENT HIRINGS | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|-----|--------------|-----|------------|-----|-------|-----|
| | # | % | # | % | # | % | # | % |
| Total Number of Employees | 1690 | 100 | 191 | 100 | 396 | 100 | 2277 | 100 |
| Total Reported New Replacements | 354 | 21 | 52 | 27 | 127 | 32 | 533 | 23 |
| Average # of New Hires per Organization | 2.7 | | 1.6 | | 2.5 | | 2.5 | |

TABLE 35: RECENT HIRINGS

Source of New Employees

Survey respondents estimated that when they hired new employees, 37% of were entering or re-entering the workforce, 24% were working for an employer in the private sector, 16% were unemployed, 9% were working for an employer in the non-profit sector, and 4% were working for an employer in government (Table 36).

| SOURCE | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|------------|------------|--------------|------------|------------|------------|------------|------------|
| | # | % | # | % | # | % | # | % |
| Entering or re-entering the work force | 128 | 36 | 18 | 35 | 49 | 39 | 195 | 37 |
| Working for an employer in the private sector | 78 | 22 | 6 | 12 | 42 | 33 | 126 | 24 |
| Unemployed | 47 | 13 | 5 | 10 | 34 | 27 | 86 | 16 |
| Working for an employer in the non-profit sector | 46 | 13 | 3 | 6 | 0 | 0 | 49 | 9 |
| Working for an employer in government | 9 | 3 | 11 | 21 | 0 | 0 | 20 | 4 |
| Other sources | 34 | 10 | 9 | 17 | 2 | 2 | 45 | 8 |
| Not Accounted For | 12 | 3 | 0 | 0 | 0 | 0 | 12 | 2 |
| Total New Employees | 354 | 100 | 52 | 100 | 127 | 100 | 533 | 100 |

TABLE 36: SOURCE OF NEW EMPLOYEES

Anticipated Growth in Employment

As part of the survey, representatives were asked to estimate the number of workers their organization will have in three years. Among 182 survey participants who had at least one employee or contractor in 2015, 46% were able to estimate number of workers their organization employed currently and how many they will have in three years. As indicated in Table 37, 55% of these survey participants estimated that, in three years, the number of workers will be higher compared to number of workers they employed at the time of the survey; 23% reported that the number of workers will stay the same, and 22% indicated that number of workers will decrease. The average number of workers employed by all survey participants who provided an answer is projected to increase from 16.0 at the time of the survey to 19.7 in three years.

| RESPONSE | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Number of organizations reporting current employment and employment 5 years ago | 56 | 50 | 10 | 40 | 17 | 37 | 83 | 46 |

Expected change in workforce

| | | | | | | | | |
|----------------------|----|----|---|----|----|----|----|----|
| Be higher in 3 Years | 29 | 52 | 5 | 50 | 12 | 71 | 46 | 55 |
| Be the same as now | 15 | 27 | 3 | 30 | 1 | 6 | 19 | 23 |
| Be lower in 3 years | 12 | 21 | 2 | 20 | 4 | 24 | 18 | 22 |

Expected change in workforce

| | | | | |
|---|------|------|------|------|
| Total number of workers in 2015 | 1004 | 98 | 228 | 1330 |
| Total estimated workers in 3 years | 1228 | 104 | 300 | 1632 |
| Percentage employment growth | 22% | 6% | 32% | 23% |
| Current average number workers per organization | 17.9 | 9.8 | 13.4 | 16.0 |
| Projected average number of workers per organization in 3 years | 21.9 | 10.4 | 17.6 | 19.7 |

TABLE 37: ANTICIPATED GROWTH IN EMPLOYMENT OVER NEXT 3 YEARS

EXPENDITURES ON TRAINING

Expenditures on Training

Employers were asked to report the percentage of their revenues spent on employee training over the past year. Most organizations reported relatively low expenditures, with 69% saying that the amount as a proportion of revenues was 3% or less (Table 38). Eight percent reported spending 4% to 5%, two percent reported 6% to 10%, and seven percent reported spending over 10% of revenues on employee training. Fifteen percent of employers were unsure of the amount directed to training.

| TRAINING EXPENDITURES | Non-Profit | | Cooperatives | | Businesses | | Total | |
|-----------------------|------------|------------|--------------|------------|------------|------------|------------|------------|
| | # | % | # | % | # | % | # | % |
| Less than 1% | 43 | 38 | 4 | 24 | 12 | 34 | 59 | 36 |
| 1 - 3% | 39 | 34 | 7 | 41 | 8 | 23 | 54 | 33 |
| 4 - 5% | 11 | 10 | 0 | 0 | 2 | 6 | 13 | 8 |
| 6 - 10% | 2 | 2 | 1 | 6 | 1 | 3 | 4 | 2 |
| Over 10% | 5 | 4 | 2 | 12 | 4 | 11 | 11 | 7 |
| Not sure | 14 | 12 | 3 | 18 | 8 | 23 | 25 | 15 |
| Total | 114 | 100 | 17 | 100 | 35 | 100 | 166 | 100 |

TABLE 38: EXPENDITURES ON EMPLOYEE TRAINING

FUTURE LABOUR MARKET CHARACTERISTICS



This chapter summarizes the findings from survey results, interviews with subject matter experts and case studies to describe the medium and long term demand in the BC social venture sector including the factors that affect demand, expected skills shortages, difficulties in filling positions, competitive advantages and disadvantages of the sector, and strategies to mitigate labour market challenges.

FACTORS THAT WILL DETERMINE FUTURE DEMAND

Subject matter experts were asked to comment on the major factors that will drive the size of the BC social venture sector and therefore the demand for workers going forward. The most frequent responses and major themes emerging from the interviews with these experts are summarized as follows (number of responses in parentheses):

- ▶ **Increased awareness and knowledge about the social venture sector (8).** As social ventures continue to grow and become successful, these organizations will encourage other entrepreneurs to enter the sector and create new social ventures. It is important for the sector to support successes and convey their stories so that more entrepreneurs, investors, workers, and consumers become aware of the sector and its potential for growth and success.
- ▶ **Increased consumer demand for products and services produced by social ventures (8).** Subject matter experts indicated that one of the major factors that will drive the size of the sector is consumer demand and expectation for products and services that align with their values, consumer pressure on governments to increase social procurement, and increased consumer expectations for accountability and transparency from mainstream corporations. Consumer expectations as well as social pressure will also make working for certain industries less desirable, which will help drive workers towards social venture organizations and related industries.

- ▶ **Continued support from governments, industry, investors and academia (7).** In order for the sector to grow, there needs to be continued support for social ventures from government (e.g. regulatory and legislative frameworks that ensure products meet global standards), industry (e.g. increased collaboration between large industries and the social venture sector), investors and funders (e.g. start-up funds, financial support from organizations such as Vancity) and academia (e.g., producing necessary values, qualifications and skills set).
- ▶ **Increasing awareness and knowledge of social and environmental issues facing the world today (5).** Increasing number of young people are aware of the social and environmental (e.g., global warming and climate change) issues facing our country and the world today and want to be part of the solution. As the new generation of workers will move into the sector and build careers there, they will also bring a new set of values which is increasingly focused on entrepreneurship, innovation and sustainability: values that align with the mission-based focus of the sector.
- ▶ **Other factors that will drive the size of the sector according to experts** include the success of the social ventures, which will attract more attention, investment, and skilled workers into the sector and inspire other entrepreneurs to start their own ventures (1); as the sector grows, there will be more skilled and experienced staff members, which will result in an increasingly skilled labour force (1); the political environment (e.g. governments continuing to focus on resource-based economies) which expects social issues to be addressed by the market (e.g. non-profits, charities, social ventures) (1); and the principles embraced by social ventures will increasingly be adopted by industry as a whole and become mainstream (1).

FACTORS CONTRIBUTING TO LABOUR SHORTAGES

According to survey participants, the major factors that contribute to labour shortages in the sector include difficulties in hiring and retaining potential workers due to lower wages (a major or somewhat of a reason among 70% of respondents); difficulties in attracting skilled workers to the organization (a major or somewhat of a reason among 68% of respondents); difficulties associated with transferring skills and experience of the available candidates (a major or somewhat of a reason among 61% of respondents); lack of education and training available related to these positions (a major or somewhat of a reason among 55% of respondents); a general shortage of skills and workers (a major or somewhat of a reason among 45% of respondents); and an increased number of retiring skilled and experienced workers who work in these positions (a major or somewhat of a reason among 31% of respondents).

| FACTORS | Not a Reason | Somewhat of a Reason | Major Reason | Total | Percentage Somewhat + Major |
|---|--------------|----------------------|--------------|-------|-----------------------------|
| Non-Profits (n=83) | | | | | |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 16% | 36% | 48% | 100% | 84% |
| While there are people with these skills available, it is difficult to attract them to our operation | 22% | 49% | 29% | 100% | 78% |
| The skills and experience of the available candidates do not transfer well to our type of operation | 40% | 45% | 15% | 100% | 60% |
| Education and training relevant to the position are not available, not effective or too expensive | 45% | 40% | 15% | 100% | 55% |
| There is a general shortage of workers available | 54% | 27% | 19% | 100% | 46% |
| Many of the skilled workers in these positions are nearing retirement | 59% | 30% | 11% | 100% | 41% |
| Workers from outside of BC have the necessary skills but have difficulty getting their skills recognized | 78% | 15% | 7% | 100% | 22% |
| Cooperatives (n=17) | | | | | |
| While there are people with these skills available, it is difficult to attract them to our operation | 21% | 50% | 29% | 100% | 79% |
| The skills and experience of the available candidates do not transfer well to our type of operation | 41% | 30% | 29% | 100% | 59% |
| Education and training relevant to this position is not available, not effective or too expensive | 43% | 50% | 7% | 100% | 57% |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 44% | 25% | 31% | 100% | 56% |

TABLE 39: FACTORS CONTRIBUTING TO LABOUR SHORTAGES

| FACTORS | Not a Reason | Somewhat of a Reason | Major Reason | Total | Percentage Somewhat + Major |
|---|--------------|----------------------|--------------|-------|-----------------------------|
| Cooperatives (n=17) | | | | | |
| There is a general shortage of workers available | 64% | 29% | 7% | 100% | 36% |
| Many of the skilled workers in these positions are nearing retirement | 79% | 14% | 7% | 100% | 21% |
| Workers from outside of BC have the necessary skills but have difficulty getting their skills recognized | 93% | 7% | 0% | 100% | 7% |
| Businesses (n=33) | | | | | |
| The skills and experience of the available candidates do not transfer well to our type of operation | 34% | 38% | 28% | 100% | 66% |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 47% | 37% | 16% | 100% | 53% |
| Education and training relevant to this position is not available, not effective or too expensive | 47% | 34% | 19% | 100% | 53% |
| There is a general shortage of workers available | 53% | 25% | 22% | 100% | 47% |
| While there are people with these skills available, it is difficult to attract them to our operation | 59% | 34% | 7% | 100% | 41% |
| Workers from outside of BC have the necessary skills but have difficulty getting their skills recognized | 81% | 16% | 3% | 100% | 19% |
| Many of the skilled workers in these positions are nearing retirement | 88% | 12% | 0% | 100% | 12% |
| Total (n=133) | | | | | |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 30% | 35% | 35% | 100% | 70% |
| While there are people with these skills available, it is difficult to attract them to our operation | 32% | 45% | 23% | 100% | 68% |

TABLE 39 CONT'D: FACTORS CONTRIBUTING TO LABOUR SHORTAGES

| FACTORS | Not a Reason | Somewhat of a Reason | Major Reason | Total | Percentage Somewhat + Major |
|--|--------------|----------------------|--------------|-------|-----------------------------|
| Total (n=133) | | | | | |
| The skills and experience of the available candidates do not transfer well to our type of operation | 39% | 41% | 20% | 100% | 61% |
| There is a general shortage of workers available | 55% | 27% | 18% | 100% | 45% |
| Education and training relevant to the position is not available, not effective or too expensive | 45% | 40% | 15% | 100% | 55% |
| Many of the skilled workers in these positions are nearing retirement | 69% | 24% | 7% | 100% | 31% |
| Workers from outside of BC have the necessary skills but have difficulty getting their skills recognized | 81% | 14% | 5% | 100% | 19% |

TABLE 39 CONT'D: FACTORS CONTRIBUTING TO LABOUR SHORTAGES

Subject matter experts and case study participants noted the following factors that contribute to current and projected labour shortages in the social venture sector (number of responses in parentheses):

- ▶ **The sector is new and emerging, which contributes to labour shortages (8).** Many of the laws and regulations favour businesses and have yet to be adapted to the needs of the social venture sector. The awareness of the sector and its social environmental value among the general population is low. Not many universities and post-secondary institutions are involved in preparing the skill sets and values necessary for graduates to pursue careers and succeed in the social venture sector. There is a lack of mentorship and skills development programs and opportunities.
- ▶ **Competition from the private sector (7).** Usually social ventures are disadvantaged when competing for skills and labour with the private sector due to lower wages and salaries. As many businesses do not allocate their profit into a social mission, they are able to offer more competitive salaries.
- ▶ **Demographic changes and the retirement of the ‘baby boomers’ (3).** Many people in senior positions at social venture organizations are approaching their retirement age. Therefore, there is increasing demand for staff with leadership skills.

- ▶ **A lack of business acumen among social entrepreneurs (2).**
Most social entrepreneurs who enter the sector are passionate about the social or environmental mission and values and want to make a difference. However, many of these individuals may lack business experience and day-to-day business management skills, and/or long term planning capacity, which is necessary to succeed in the social venture sector.
- ▶ **Access to capital and financing (e.g. access to investment capital, debt financing, internally generated funds),** which is difficult for most businesses, especially for those that have a social or environmental mandate.

COMPETITIVE POSITION OF SOCIAL VENTURE ORGANIZATIONS

Competitive Advantages

According to survey participants, the major competitive strengths of social venture sector organizations in terms of being able to attract good candidates are the importance of the work that the sector performs (noted as major strength by 87% of respondents), the positive work environment (noted as a major strength by 87%), the opportunities to interact with clients or the general public (71%) and the opportunity to work part-time/seasonally or job share (45%).

As indicated in Table 40, the areas that were mentioned most frequently as not to be competitive strengths of the social venture sector include the opportunity for advancement (noted as not an area of strength by 39% of respondents), the levels of wages and benefits that the sector can afford to pay to its employees (34%) and the level of job security provided to employees (31%).

| STRENGTH | Major Strength | Minor Strength | Not a Strength | N/A | Total |
|--|----------------|----------------|----------------|-----|-------|
| Non-Profits (n=116) | | | | | |
| Importance of the work performed | 87% | 10% | 1% | 2% | 100% |
| Positive work environment | 86% | 10% | 2% | 2% | 100% |
| Opportunities to interact with clients or the general public | 76% | 21% | 1% | 2% | 100% |
| Opportunity to work part-time/seasonally or job share | 46% | 31% | 11% | 12% | 100% |
| Opportunities for further professional development | 25% | 52% | 20% | 3% | 100% |

TABLE 40: COMPETITIVE STRENGTHS OF THE SOCIAL VENTURE SECTOR IN ATTRACTING GOOD CANDIDATES

| STRENGTH | Major Strength | Minor Strength | Not a Strength | N/A | Total |
|--|-----------------------|-----------------------|-----------------------|------------|--------------|
| Non-Profits (n=116) | | | | | |
| Level of job security | 23% | 39% | 34% | 4% | 100% |
| Wages and benefits compared to other employers | 15% | 40% | 40% | 5% | 100% |
| Opportunities for advancement | 5% | 39% | 47% | 9% | 100% |
| Cooperatives (n=33) | | | | | |
| Positive work environment | 88% | 3% | 3% | 6% | 100% |
| Importance of the work performed | 85% | 0% | 6% | 9% | 100% |
| Opportunities to interact with clients or the general public | 64% | 18% | 9% | 9% | 100% |
| Opportunity to work part-time/seasonally or job share | 30% | 37% | 6% | 27% | 100% |
| Opportunities for further professional development | 25% | 31% | 22% | 22% | 100% |
| Wages and benefits compared to other employers | 15% | 31% | 30% | 24% | 100% |
| Level of job security | 15% | 30% | 34% | 21% | 100% |
| Opportunities for advancement | 9% | 28% | 35% | 28% | 100% |
| Businesses (n=50) | | | | | |
| Positive work environment | 88% | 12% | 0% | 0% | 100% |
| Importance of the work performed | 88% | 10% | 2% | 0% | 100% |
| Opportunities to interact with clients or the general public | 64% | 28% | 8% | 0% | 100% |
| Opportunity to work part-time/seasonally or job share | 52% | 24% | 14% | 10% | 100% |
| Opportunities for further professional development | 56% | 30% | 12% | 2% | 100% |
| Opportunities for advancement | 27% | 39% | 22% | 12% | 100% |

TABLE 40 CONT'D: COMPETITIVE STRENGTHS OF THE SOCIAL VENTURE SECTOR IN ATTRACTING GOOD CANDIDATES

| STRENGTH | Major Strength | Minor Strength | Not a Strength | N/A | Total |
|--|----------------|----------------|----------------|-----|-------|
| Businesses (n=50) | | | | | |
| Wages and benefits compared to other employers | 22% | 48% | 22% | 8% | 100% |
| Level of job security | 18% | 50% | 22% | 10% | 100% |
| Total (n=199) | | | | | |
| Importance of the work performed | 87% | 8% | 2% | 3% | 100% |
| Positive work environment | 87% | 9% | 2% | 2% | 100% |
| Opportunities to interact with clients or the general public | 71% | 22% | 4% | 3% | 100% |
| Opportunity to work part-time/seasonally or job share | 45% | 30% | 11% | 14% | 100% |
| Opportunities for further professional development | 33% | 43% | 18% | 6% | 100% |
| Level of job security | 20% | 41% | 31% | 8% | 100% |
| Wages and benefits compared to other employers | 17% | 40% | 34% | 9% | 100% |
| Opportunities for advancement | 11% | 37% | 39% | 13% | 100% |

TABLE 40 CONT'D: COMPETITIVE STRENGTHS OF THE SOCIAL VENTURE SECTOR IN ATTRACTING GOOD CANDIDATES

When asked what other competitive strengths their organizations have, survey respondents were most likely to report that it is their social mission or impacts that attract staff (27%), that their employees enjoy a flexible work schedule, including reduced hours of work or the opportunity to work from home at least some of the time (16%), the positive work environment, including aspects such as natural light in the office space (15%), the positive reputation of their organization (12%), and the strong benefits package they offer (12%).

| COMPETITIVE STRENGTH | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--------------------------------------|------------|------------|--------------|------------|------------|------------|-----------|------------|
| | # | % | # | % | # | % | # | % |
| Total answering | 40 | 100 | 11 | 100 | 24 | 100 | 75 | 100 |
| Social impact/mission attracts staff | 8 | 20 | 6 | 55 | 6 | 25 | 20 | 27 |

TABLE 41: OTHER COMPETITIVE STRENGTHS

| COMPETITIVE STRENGTH | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Flexible work schedule/shortened hours/work from home opportunities | 4 | 10 | 3 | 27 | 5 | 21 | 12 | 16 |
| Positive work environment (including aesthetic layout, natural light) | 6 | 15 | 0 | 0 | 5 | 21 | 11 | 15 |
| Well known organization/good reputation | 6 | 15 | 1 | 9 | 2 | 8 | 9 | 12 |
| Strong benefits package | 7 | 18 | 2 | 18 | 0 | 0 | 9 | 12 |
| Training, mentorship and networking opportunities | 5 | 13 | 1 | 9 | 1 | 4 | 7 | 9 |
| Staff have input into operations, strategic planning and social mission | 2 | 5 | 1 | 9 | 3 | 13 | 6 | 8 |
| Unionized workplace or a workers cooperative | 4 | 10 | 1 | 9 | 0 | 0 | 5 | 7 |
| Employer in a rural area/niche field | 4 | 10 | 0 | 0 | 1 | 4 | 5 | 7 |
| Creative, supportive environment encourages job satisfaction | 4 | 10 | 0 | 0 | 1 | 4 | 5 | 7 |
| Room for advancement/growth sector | 1 | 3 | 0 | 0 | 2 | 8 | 3 | 4 |
| Innovative operational model | 1 | 3 | 0 | 0 | 2 | 8 | 3 | 4 |
| Competitive wages | 2 | 5 | 0 | 0 | 1 | 4 | 3 | 4 |
| Job security | 0 | 0 | 0 | 0 | 2 | 8 | 2 | 3 |
| Organizational values | 1 | 3 | 0 | 0 | 0 | 0 | 1 | 1 |
| Opportunity to travel | 0 | 0 | 0 | 0 | 1 | 4 | 1 | 1 |
| Charismatic leadership | 1 | 3 | 0 | 0 | 0 | 0 | 1 | 1 |
| Affiliation with a post-secondary educational institution | 1 | 3 | 0 | 0 | 0 | 0 | 1 | 1 |

TABLE 41 CONT'D: OTHER COMPETITIVE STRENGTHS

Subject matter experts were also asked to comment on what they see as the major competitive strengths of the social venture sector with respect to being able to attract and retain workers. Their perceptions are summarized as follows (number of responses in parentheses):

- ▶ **Passion and the desire to make a difference is the key factor that** determines whether people decide to work in the social venture sector and build a career there (23). Increasingly people from all generations, but in particular the younger generation, want to do work that contributes to the betterment of their communities and society as a whole. The social venture sector offers the opportunity to be part of the solution to some of the most difficult and pressing issues faced by communities and the world today.
- ▶ **The opportunity to work in a new sector which focuses on solutions** and innovation (7). The social venture sector is emerging as a growing industry, which is inherently attractive to people who want to be part of new emerging innovative organizations and industries. The social venture sector offers people the opportunity to work in an innovative, creative and exciting environment, which leads to higher engagement and retention of employees. Many social venture organizations tend to have an optimistic outlook into the world, looking for solutions rather than focusing on difficulties and shortcomings.
- ▶ **Increased visibility of the sector and the business opportunities it offers (7).** The sector is growing and starting to be seen as a viable career path by both young and old workers. Younger workers and entrepreneurs are moving into the social venture sector as they see new opportunities that better align with their values. Also, many retiring older workers (i.e. baby boomers) are also being driven to the sector as they seek to move on to employment opportunities that allow them to do more values-based, meaningful work as opposed to focusing solely on financial compensation (5).
- ▶ **Increased awareness of the sector and its positive impact on communities** and the environment (3). Increasing numbers of people learn about the social and environmental issues affecting our lives, and understand the importance of taking action to address them. Some people look at the social venture sector as part of the solution.
- ▶ **Flexibility and ability to adapt to changing markets, cultures and needs (2).** It's more difficult for large organizations and corporations to change and adapt to changing markets, cultures and needs. Social ventures tend to be small which enables them to have more flexibility and ability to adapt to changing needs;

Competitive Weaknesses

Survey respondents were asked to describe the competitive weaknesses of their organizations. As indicated in Table 42, the most commonly cited weaknesses were related to the relatively low wages offered (45%) in the sector, the lack of full-time or permanent positions (13%), their rural location (10%), and the fact their organization is rather new and relatively unknown (10%).

| COMPETITIVE WEAKNESSES | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|------------|------------|--------------|------------|------------|------------|-----------|------------|
| | # | % | # | % | # | % | # | % |
| Total answering | 27 | 100 | 5 | 100 | 8 | 100 | 40 | 100 |
| Relatively low wages | 10 | 37 | 4 | 80 | 4 | 50 | 18 | 45 |
| Lack of full time/permanent positions | 3 | 11 | 1 | 20 | 1 | 13 | 5 | 13 |
| Located in a rural area | 4 | 15 | 0 | 0 | 0 | 0 | 4 | 10 |
| New organization/not well known | 3 | 11 | 0 | 0 | 1 | 13 | 4 | 10 |
| Do not offer benefits | 3 | 11 | 0 | 0 | 0 | 0 | 3 | 8 |
| Inconsistent/irregular work (level and hours) | 0 | 0 | 0 | 0 | 2 | 25 | 2 | 5 |
| Work is difficult | 2 | 7 | 0 | 0 | 0 | 0 | 2 | 5 |
| Hard to find a fit for the organizational culture/mission | 0 | 0 | 0 | 0 | 1 | 13 | 1 | 3 |
| Lack of creativity and critical thinking in the work | 0 | 0 | 1 | 20 | 0 | 0 | 1 | 3 |
| Lack of public transportation access to workplace | 1 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| Limited room for advancement | 1 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| No internal policies | 1 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| Rural employer competing for workers with employers in large centres | 1 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| Too small to offer training opportunities | 0 | 0 | 0 | 0 | 1 | 13 | 1 | 3 |

TABLE 42: COMPETITIVE WEAKNESSES IN ATTRACTING GOOD CANDIDATES

When asked to discuss the major weaknesses of the sector, particularly what puts organizations at a competitive disadvantage with respect to attracting and retaining workers, subject matter experts noted the following areas (number of responses in parentheses):

- ▶ **Not being able to offer competitive salaries (15).** Experts believe social ventures are at a competitive disadvantage when competing for skills and labour because they cannot offer competitive salaries. As businesses do not necessarily allocate a share of their revenues into a social or environmental mission, they are in position to offer higher salaries to their employees. This especially affects the social venture organizations which are at the start-up stage and may struggle to access capital and other resources; they are not always able to offer competitive wages to their workers.
- ▶ **Difficulty in balancing social mission and business realities (7).** Social ventures have two objectives that sometimes compete with each other. Social ventures are mission driven organizations but they also need to make a profit. Sometimes it becomes difficult to balance these two objectives. This also affects the extent to which social ventures can recruit and retain qualified staff. Individuals going into the sector, be that younger people or even those with significant experience, may decide to work in the organization to increase their business experience but not be familiar with or share the organization's mission and values. On the other hand, a social venture may hire an employee who is mission-driven but who lacks the necessary qualification or skills. It is very difficult to recruit and retain staff that have a balance of both the mission and business skills required to work in these types of organizations.
- ▶ **Lack of opportunity and professional development (6).** As the social venture sector is still small, there are fewer positions and opportunities available that can attract new workers. Also, as social ventures tend to have fewer resources and less access to capital, they often are not able to invest in professional development or retain workers after they reach a certain level within the organization.
- ▶ **Issues relating to accessing capital (6).** Compared to traditional private sector companies and start-ups, it is much more difficult for social ventures to raise capital to support their operations, which means they are often under-funded and under-resourced. This results in having less ability to recruit and retain workers and offer professional advancement opportunities.

- ▶ **Lack of knowledge or understanding of the social venture sector (6).** The social venture sector is still new, which means investors, the public, and potential employees have limited knowledge of the opportunities available in the sector.
- ▶ **Social ventures tend to be small and many of them are in the start-up phase (4).** Small businesses have more difficulty attracting and retaining workers as they generally less able to offer job security or competitive salaries, and may have a higher rate of failure.

Competitive Position Relative to Other Organizations

Social ventures were most likely to report that when competing for workers they are at a disadvantage to employers in government (41%) and the private sector (37%), but generally felt that they were neither at an advantage nor a disadvantage (32%) or held an advantage (29%) over other employers in the non-profit sector (Table 43). Cooperatives were most likely to report that they do not compete with other employers in government (57%), the non-profit sector (43%), and those in the private sector (33%). About half of the business in the sector (49%) felt that they were at competitive advantage when competing with employers in the private sector and 37% felt that they held neither an advantaged nor a disadvantaged position.

| POSITION | Have a competitive advantage | Neither | Are at a competitive disadvantage | Do not compete with | Total |
|------------------------------------|------------------------------|---------|-----------------------------------|---------------------|-------|
| Non-Profits (n=116) | | | | | |
| Employers in the non-profit sector | 33% | 37% | 11% | 19% | 100% |
| Employers in the private sector | 13% | 21% | 50% | 16% | 100% |
| Employers in government | 2% | 16% | 53% | 29% | 100% |
| Cooperatives (n=30) | | | | | |
| Employers in the non-profit sector | 20% | 27% | 10% | 43% | 100% |
| Employers in the private sector | 20% | 17% | 30% | 33% | 100% |
| Employers in government | 7% | 6% | 30% | 57% | 100% |
| Businesses (n=49) | | | | | |
| Employers in the non-profit sector | 27% | 22% | 10% | 41% | 100% |
| Employers in the private sector | 49% | 37% | 10% | 4% | 100% |
| Employers in government | 22% | 18% | 21% | 39% | 100% |

TABLE 43: COMPETITIVE POSITION RELATIVE TO OTHER TYPES OF ORGANIZATIONS

| POSITION | Have a competitive advantage | Neither | Are at a competitive disadvantage | Do not compete with | Total |
|------------------------------------|------------------------------|---------|-----------------------------------|---------------------|-------|
| Total (n=195) | | | | | |
| Employers in the non-profit sector | 29% | 32% | 11% | 28% | 100% |
| Employers in the private sector | 24% | 24% | 37% | 15% | 100% |
| Employers in government | 8% | 15% | 41% | 36% | 100% |

TABLE 43 CONT'D: COMPETITIVE POSITION RELATIVE TO OTHER TYPES OF ORGANIZATIONS

POSITIONS EXPECTED TO BE HARDEST TO FILL

Primary Skills or Characteristics

Surveyed employers were asked to describe the skills or characteristics they look for in potential employees. As indicated in Table 44, the most common characteristics described include a commitment to the social mission of the organization (31%), a positive, friendly attitude with strong interpersonal skills (25%), self-motivated individuals with a strong work-ethic (20%), technical/professional knowledge related to the operations or sector of the organization (16%), and customer service experience and skills (13%).

| SKILLS OR CHARACTERISTICS | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|------------|-----|--------------|-----|------------|-----|-------|-----|
| | # | % | # | % | # | % | # | % |
| Total answering | 105 | 100 | 20 | 100 | 42 | 100 | 167 | 100 |
| Committed to social mission of the organization | 26 | 25 | 6 | 30 | 20 | 48 | 52 | 31 |
| Positive attitude, friendly, good interpersonal skills | 27 | 26 | 4 | 20 | 10 | 24 | 41 | 25 |
| Hard working, positive work ethic, self-motivated | 18 | 17 | 5 | 25 | 10 | 24 | 33 | 20 |
| Technical/professional knowledge related to operations, including computer skills | 16 | 15 | 4 | 20 | 6 | 14 | 26 | 16 |
| Customer service experience/skills | 11 | 10 | 5 | 25 | 7 | 17 | 23 | 14 |
| Communication skills | 4 | 13 | 3 | 15 | 4 | 10 | 21 | 13 |

TABLE 44: PRIMARY SKILLS OR CHARACTERISTICS SOUGHT

| SKILLS OR CHARACTERISTICS | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Organized/attention to detail/can follow instructions/multi-task | 14 | 13 | 1 | 5 | 5 | 12 | 20 | 12 |
| Dedication/dependable/reliable | 14 | 13 | 1 | 5 | 4 | 10 | 19 | 11 |
| Team player | 10 | 10 | 5 | 25 | 1 | 2 | 16 | 10 |
| Compassion/empathy | 11 | 10 | 1 | 5 | 3 | 7 | 15 | 9 |
| Trustworthy/honesty | 6 | 6 | 4 | 20 | 5 | 12 | 15 | 9 |
| Flexible/adaptable | 9 | 9 | 1 | 5 | 4 | 10 | 14 | 8 |
| Financial or business acumen | 8 | 8 | 1 | 5 | 3 | 7 | 12 | 7 |
| Responsible, mature, life experience | 8 | 8 | 0 | 0 | 2 | 5 | 10 | 6 |
| Enthusiasm, passion | 4 | 4 | 2 | 10 | 3 | 7 | 9 | 5 |
| Common sense/critical thinking | 2 | 2 | 2 | 10 | 2 | 5 | 6 | 4 |
| Creativity | 5 | 5 | 0 | 0 | 1 | 2 | 6 | 4 |
| Physical fitness | 5 | 5 | 0 | 0 | 1 | 2 | 6 | 4 |
| Quick/willing to learn/trainable | 3 | 3 | 0 | 0 | 3 | 7 | 6 | 4 |
| Strategic thinker | 0 | 0 | 0 | 0 | 3 | 7 | 3 | 2 |

TABLE 44 CONT'D: PRIMARY SKILLS OR CHARACTERISTICS SOUGHT

Expected Difficulties Filling Positions

According to survey participants, some of the positions that are expected to be the most difficult to fill over the next three years, either through hiring or promoting existing employees, include managers overseeing the delivery of services and programs or production of products (noted as somewhat or very difficult by 46% of respondents), and staff involved primarily in the delivery of the services, programs or production of products (noted as somewhat or very difficult by 46% of respondents) as indicated in Table 45 on the following page.

| POSITION | Not Planning to Fill | Not At All Difficult | Somewhat Difficult | Very Difficult | Total |
|---|----------------------|----------------------|--------------------|----------------|-------|
| Non-Profit (n=122) | | | | | |
| Managers overseeing the delivery of services, programs or projects, or the production of products | 38% | 18% | 33% | 11% | 100% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 20% | 34% | 37% | 9% | 100% |
| Sales, marketing or fundraising positions | 47% | 18% | 28% | 7% | 100% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 41% | 31% | 27% | 1% | 100% |
| Cooperatives (n=26) | | | | | |
| Managers overseeing the delivery of services, programs or projects, or the production of products | 42% | 12% | 27% | 19% | 100% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 20% | 28% | 52% | 0% | 100% |
| Sales, marketing or fundraising positions | 37% | 17% | 42% | 4% | 100% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 37% | 42% | 17% | 4% | 100% |
| Businesses (n=45) | | | | | |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 16% | 44% | 40% | 0% | 100% |
| Sales, marketing or fundraising positions | 30% | 27% | 28% | 15% | 100% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 19% | 49% | 30% | 2% | 100% |

TABLE 45: EXPECTED DIFFICULTIES IN FILLING POSITIONS

| POSITIONS | Not Planning to Fill | Not At All Difficult | Somewhat Difficult | Very Difficult | Total |
|---|----------------------|----------------------|--------------------|----------------|-------|
| Businesses (n=45) | | | | | |
| Managers overseeing the delivery of services, programs or projects, or the production of products | 18% | 30% | 39% | 13% | 100% |

Total (n=193)

| | | | | | |
|---|-----|-----|-----|-----|------|
| Managers overseeing the delivery of services, programs or projects, or the production of products | 34% | 20% | 33% | 13% | 100% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 19% | 35% | 40% | 6% | 100% |
| Sales, marketing or fundraising positions | 41% | 20% | 30% | 9% | 100% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 35% | 37% | 26% | 2% | 100% |

TABLE 45 CONT'D: EXPECTED DIFFICULTIES IN FILLING POSITIONS

Survey participants were also asked to identify three specific jobs that they thought will be the most difficult to fill. As described in Table 46, nearly a third (31%) of those responding to the question said that general management positions will be the most difficult, 20% expressed concern for positions related to sales and marketing, 18% mentioned executive director or other senior positions, 17% mentioned program delivery and front line staff, 15% reported administrative support and coordinator roles, and 15% reported that positions related to financial management or accounting would be the most difficult to fill.

| POSITION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|-------------------------|------------|------------|--------------|------------|------------|------------|------------|------------|
| | # | % | # | % | # | % | # | % |
| Total answering | 78 | 100 | 17 | 100 | 28 | 100 | 123 | 100 |
| Manager/general manager | 16 | 21 | 9 | 53 | 13 | 46 | 38 | 31 |
| Marketing/sales | 10 | 13 | 4 | 24 | 10 | 36 | 24 | 20 |

TABLE 46: SPECIFIC JOBS EXPECTED TO BE DIFFICULT TO FILL

| POSITION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Executive director/senior management | 15 | 19 | 2 | 12 | 5 | 18 | 22 | 18 |
| Program delivery/front line staff | 13 | 17 | 2 | 12 | 6 | 21 | 21 | 17 |
| Administrative support, coordination | 7 | 9 | 6 | 35 | 6 | 21 | 19 | 15 |
| Financial management/accountant/bookkeeping | 13 | 17 | 0 | 0 | 5 | 18 | 18 | 15 |
| Fundraising | 13 | 17 | 2 | 12 | 0 | 0 | 15 | 12 |
| Early childhood educator | 8 | 10 | 0 | 0 | 0 | 0 | 8 | 7 |
| Production, operations staff, production coordinators | 4 | 5 | 2 | 12 | 4 | 14 | 10 | 8 |
| Program and project management and coordination | 7 | 9 | 0 | 0 | 3 | 11 | 10 | 8 |
| IT | 3 | 4 | 1 | 6 | 1 | 4 | 5 | 4 |
| Publicist, media/member relations | 3 | 4 | 2 | 12 | 0 | 0 | 5 | 4 |
| Volunteer coordinator | 2 | 3 | 0 | 0 | 0 | 5 | 2 | 1 |
| Other | 9 | 9 | 2 | 12 | 4 | 14 | 15 | 12 |

TABLE 46 CONT'D: SPECIFIC JOBS EXPECTED TO BE DIFFICULT TO FILL

Subject matter experts and the case studies identified that the key areas of skills shortages facing the social venture sector are as follows (number of responses indicated in parentheses):

- ▶ **General business knowledge and acumen (12)**
including fundamental business skills, skills related to entrepreneurship, and management.
- ▶ **Financial literacy and financial management skills (7)**
including knowledge pertaining to how to model growth, forecast financials, manage the assets of the organization, and knowledge related to how to access funding from other sources. These financial skills are essential to building sustainable operations and ensuring organizational growth.

- ▶ **Lack of leadership and senior management with experience in the sector (6).** Due to retiring baby boomers and a general dearth of experienced people entering the social venture sector, there is a concern that there are too few experienced leaders available to guide social venture organizations. The lack of leadership can also affect training of young entrepreneurs entering into the market as there are not enough experienced people to guide them.

- ▶ **Difficulties matching the social values with business skills (5).** Many people enter the sector due to their passion and desire to make a difference and may lack the necessary business and leadership skills; meanwhile, many of those who graduate from business programs do not have the necessary values or interest to engage with the social venture sector.

- ▶ **Lack of marketing and sales skills (5) including skills necessary to promote products and services in the market place and through online and social platforms.**

- ▶ **Lack/shortage of technological capacity and skills (4).** Attracting individuals with technological skills, especially in the areas of software engineering and development, is particularly difficult due to competition from large corporations which can offer much higher wages.

- ▶ **Industry specific shortages (4).** The social venture sector is very diverse and includes organizations that also belong to different industries and sub-sectors. Therefore, many of the labour shortages faced by social ventures are specific to the industry or sub-sector that they operate. For example, local social ventures operating in manufacturing sector face significant problems with hiring qualified staff as many of the manufacturing companies have moved their operations to developing countries and there is lack of skilled labour in Canada.

STRATEGIES TO MEET LABOUR REQUIREMENTS

Plans to Address Shortages

To address the shortages, survey participants most commonly plan to expand the amount of internal or informal training or mentoring provided to employees (51%), increase the wages or benefits to make their positions more attractive to candidates (49%), restructure the work (35%), more aggressively promote job postings (32%), outsource certain functions or work to other organizations or companies (31%), hire more casual workers or workers on a contract basis to do the work (27%). Other strategies mentioned included organizational growth and development such as expanding revenue streams, building the brand, or expanding from part- to full-year operations (3), lobbying government for policy or regulation changes that would help build supply and demand of workers in the sector (2), and using more volunteers to perform the same operations (2).

As indicated in Table 47 on the following page, businesses appear most willing or able to outsource certain functions of their work (58% compared to 22% of cooperatives and 23% of non-profits) and the least willing to consider increasing the wages or benefits paid to staff (35% compared to 53% of non-profits and 56% of cooperatives).

| ACTION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|------------|------------|--------------|------------|------------|------------|------------|------------|
| | # | % | # | % | # | % | # | % |
| Total answering | 78 | 100 | 18 | 100 | 31 | 100 | 127 | 100 |
| Expand the amount of internal or informal training or mentoring provided to employees | 40 | 51 | 8 | 44 | 17 | 55 | 65 | 51 |
| Increase the wages or benefits paid to make positions more attractive to candidates | 41 | 53 | 10 | 56 | 11 | 35 | 62 | 49 |
| Restructure the work | 26 | 33 | 8 | 44 | 10 | 32 | 44 | 35 |
| More aggressively promote job openings | 27 | 35 | 6 | 33 | 8 | 26 | 41 | 32 |
| Outsource certain functions or work | 18 | 23 | 4 | 22 | 18 | 58 | 40 | 31 |
| Hire more casual workers or contract workers | 23 | 29 | 4 | 22 | 7 | 23 | 34 | 27 |
| Increase investment in formal or external training | 17 | 22 | 7 | 39 | 3 | 10 | 27 | 21 |
| Introduce or expand job sharing programs | 14 | 18 | 3 | 17 | 5 | 16 | 22 | 17 |

TABLE 47: ACTIONS ORGANIZATIONS WILL TAKE TO ADDRESS SKILL SHORTAGES

| ACTION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|--|------------|---|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Slow rate of growth or reduce size of organization | 7 | 9 | 2 | 11 | 8 | 26 | 17 | 13 |
| Increase investment in equipment or technology to reduce labour requirements | 7 | 9 | 3 | 17 | 3 | 10 | 13 | 10 |
| Increase overtime worked by employees | 5 | 6 | 0 | 0 | 2 | 6 | 7 | 6 |
| Other strategies or actions | 6 | 8 | 1 | 6 | 3 | 10 | 10 | 8 |

TABLE 47 CONT'D: ACTIONS ORGANIZATIONS WILL TAKE TO ADDRESS SKILL SHORTAGES

Subject matter experts described the following strategies being undertaken in the sector to address the current and projected skills shortages (number of responses indicated in parentheses):

- ▶ **Post-secondary educational institutions and universities are increasingly focused on developing social values among students and graduates (8).** Some MBA programs include a focus on developing social values and skills and/or have a specific focus on the social venture sector. There are ‘boot-camp’ style degrees and certificate programs to help social ventures with staff training. Universities are also increasingly active in the incubator and accelerator space. The increasing focus on STEM programs may also help with developing necessary technology graduates in the long term. However, these efforts are mostly ad-hoc and one-offs, often initiated by a particular institution and currently lack the scale and systematic application to generate necessary change.
- ▶ **Creation of peer networks and other mentoring opportunities (5),** which can become a valuable mechanism for transfer of skills within the sector. As the sector is based on values, social ventures are less competitive with each other and more willing to work together and share information and experience. There are already student clubs at universities focused on social ventures and mentorship programs for those entering into the sector (e.g., the Social Venture Institute and Hubcap).
- ▶ **Creation of incubators and accelerators focused on the social venture sector (3).** In recent years, a number of incubators and accelerators have been created that have a focus on the social venture sector. These incubators and accelerators help social ventures to obtain specific expertise or help. For example, Vancity has a program for incubating co-ops, and the Canadian Business for Social Responsibility Network supports the transition of companies to becoming social impact businesses. Other organizations that are helping the sector include enpBC and WorkBC.

KEY ISSUES AND CHALLENGES FACING THE SECTOR



This chapter describes key issues and challenges the social venture sector is expected to face and potential actions for government, industry and educators to help with these challenges.

KEY CHALLENGES GOING FORWARD

Key Success Factors of Social Ventures

Subject matter experts were asked to describe the key characteristics of social ventures that critical to their success. Their remarks are summarized as follows (number of responses indicated in parentheses):

- ▶ **A strong business model, product or idea (20).**
Social ventures need to have a solid and sustainable business plan and operations in order to succeed. No matter how committed is a social venture to its cause, if it does not undertake sound business practices, it will not be able to generate necessary revenues to address its social mission. Social ventures have to assess customer needs and preferences regularly, learn and adjust to market conditions, produce quality products and services and sell for competitive prices.
- ▶ **Leadership, entrepreneurship and strong team (15).**
Over half of the experts interviewed believe that the leadership and entrepreneurial skills of those running the social ventures are the key factor of success. Social entrepreneurs must be able to clearly communicate their vision and be able to create a team around them that helps them lead and fulfill their vision.

- ▶ **Access to capital (7).** Access to capital, particularly in the early stages of operation, is critical to the success of social ventures. Access to capital allows social ventures to develop their products, be able to attract workers with the skills and expertise they need, market their products or services and ultimately develop and grow.
- ▶ **A clear mandate, mission and focus (7).** In order to be successful, social ventures must develop a clear mandate, mission or purpose and to remain focused on the achievement of that mandate or mission. A strong focus on the mandate or mission will help better engage its employees, customers, investors and other stakeholders. Focusing on too many social issues, “wanting to solve everything” always create problems. Being able to consistently measure the social impact and communicate it to stakeholders is very important and necessary.

Changes in Skills Shortages Over Time

Subject matter experts were also asked to comment on how skill shortages are likely to evolve or change over the next five to ten years. The responses are summarized as follows:

- ▶ **The loss of institutional knowledge and lack of leadership capacity will be an increasing problem** as baby boomers retire and younger workers take on key responsibilities within organizations (12).
- ▶ **Business, entrepreneurship and financial management skills will continue to be a problem** in the sector and will affect how the sector manages growth and development and the issues related to access to capital (8).
- ▶ **The existing skill shortages will be alleviated (8)** with increased attention paid by educational institutions involved in developing skills and values necessary for the social venture sector (e.g., business programs incorporating social component, short-term certificate and skills building programs, online courses and classes, etc.). As the sector grows and becomes more well-known, more people will want to train and work in social venture organizations.

Major Constraints to Organizational Development

As indicated in Table 48, over half of survey respondents (58%) indicated that access to capital, including investment capital, debt financing, and internally generated funds, is a major challenge or will constrain the development of their organization over the next few years. Other key constraints include access to government funding (50%), difficulties balancing a social mission with business realities (47%), market and marketing-related issues (37%), and management resources and capabilities (36%). Some other constraints mentioned less frequently include difficulty attracting volunteers for front line and board positions (5), various regulations that increase the cost of operations (3), rising costs (fuel, commercial property taxes (2), and the barriers of operating in a rural location (2).

| CONSTRAINT | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Access to capital (e.g. access to investment capital, debt financing, internally generated funds) | 73 | 56 | 23 | 70 | 31 | 61 | 127 | 59 |
| Access to government funding | 75 | 57 | 18 | 55 | 15 | 29 | 108 | 50 |
| Difficulties in balancing a social mission with business realities | 67 | 51 | 16 | 48 | 19 | 37 | 102 | 47 |
| Market and marketing-related issues | 39 | 30 | 17 | 52 | 23 | 45 | 79 | 37 |
| Management resources and capabilities (e.g. internal expertise or leadership to drive further development of the business operations) | 42 | 32 | 15 | 45 | 20 | 39 | 77 | 36 |
| Ability to recruit and retain needed managers and staff | 42 | 32 | 10 | 30 | 14 | 27 | 66 | 31 |
| Willingness of organization to take on business risk | 35 | 27 | 9 | 27 | 11 | 22 | 55 | 26 |
| Legal barriers or regulatory issues | 12 | 9 | 6 | 18 | 9 | 18 | 27 | 13 |
| Other | 6 | 5 | 4 | 12 | 2 | 4 | 12 | 6 |
| No Answer | 4 | 3 | 0 | 0 | 2 | 4 | 6 | 3 |

Note: Some respondents indicated more than one constraint. Total of 215 respondents includes 131 from non-profits, 51 from cooperatives and 51 from businesses.

TABLE 48: MAJOR CONSTRAINTS TO DEVELOPMENT OF ORGANIZATION

Subject matter experts were asked which issues represented significant challenges or constraints to the development of social venture organizations, or for the sector overall in BC. As described in Table 49, the majority of these experts believe that access to capital (80%), management resources and capabilities (80%), difficulties in balancing social missions with business realities (72%), and market and marketing-related issues (60%) represent the most significant challenges to the development of social venture organizations.

| CHALLENGE OR CONSTRAINT | Subject Matter Experts | |
|---|------------------------|----|
| | # | % |
| Access to capital | 20 | 80 |
| Management resources and capabilities | 20 | 80 |
| Difficulties in balancing social missions with business realities | 18 | 72 |
| Market and marketing-related issues | 15 | 60 |
| Willingness of organizations and decision-makers to take on business risk | 12 | 48 |
| Ability to recruit and retain needed workers | 11 | 44 |
| Access to government funding | 10 | 40 |
| Legal barriers or regulatory issues | 10 | 40 |

TABLE 49: MAJOR CONSTRAINTS TO DEVELOPMENT (Subject Matter Experts)

Subject matter experts were also asked to elaborate on each challenge and constraint. Their responses are summarized as follows:

- ▶ **Access to capital.** Access to capital is a challenge for all start-ups and small organizations across all sectors in BC, but it is particularly difficult for social ventures. Social ventures are perceived as high risk by some investors, as they have to invest a portion of their profit for a social mission.
- ▶ **Management resources and capabilities.** Many social ventures require the capacity to administer and manage social programs as well as the skills to undertake successful business operations. It is difficult to build capacity across all areas. As the sector is new, many organizations lack necessary financial resources to dedicate to staff and skills development.
- ▶ **Difficulties in balancing social missions with business realities.** Many social ventures do not have a concrete mission or focus and try to solve problems and issues that go beyond their capacities. It is very important for social ventures have very clear and concrete mission and then focus on achieving it. Viable business operations are necessary to ensure the sustainability of social ventures.

- ▶ **Market and marketing-related issues.** It takes significant effort, resources and time to translate an idea into competitive products and services in the marketplace. It is a challenge for many social ventures to properly assess the potential market and customer preferences and to adjust their activities and products accordingly. As many social ventures are small, they do not have the ability to hire and use qualified marketing specialists.

- ▶ **Willingness of organizations and decision-makers to take on business risks.** Many decision-makers and others with power (e.g., investors, lenders, government representatives etc.) are still relatively unfamiliar with the social venture sector. There does not exist a clear and accepted definition of a social venture. Social ventures are perceived as components of an emerging sector that still needs to prove its sustainability. Therefore, it is particularly difficult for social ventures to build partnerships and attract investments.

- ▶ **Ability to recruit and retain workers.** Social ventures need specific skills (e.g., combination of both business and social sector) and they are not always able to offer adequate compensation, which makes it difficult to attract and retain qualified staff.

- ▶ **Access to government funding.** Although the provincial government has been increasingly involved in supporting the social venture sector, there is still no designated government funding for social ventures. There is a need for the government to invest in social ventures by offering seed funding, tax credits or tax incentives. Due to lack of information and complexity of the system (e.g. coordination between different levels of government), and difficult eligibility and reporting requirements, many social ventures do not benefit from existing government resources.

- ▶ **Legal and regulatory barriers and issues.** The social venture sector encompasses a broad range of organizations representing many sub-sectors and industries. These organizations face many issues and barriers relevant to their field or industry that also afflict organizations that do not operate as social ventures.

ACTIONS FOR GOVERNMENT, INDUSTRY AND EDUCATORS

Actions Recommended by Subject Matter Experts

Subject matter experts were asked to recommend actions that government, industry, academia, training organizations and others that could take to promote the further development of the social venture sector in BC. Their responses are summarized as follows (number of responses indicated in parentheses):

- ▶ **The government needs to take a leadership role in providing social venture organizations the support and resources to promote further development of the sector (11).** The sector has the potential to make a huge contribution to economic development throughout the province and contribute to addressing social and environmental issues facing British Columbians. Therefore, there is a need to increase the awareness and profile of the sector among the general public, consumers and potential employees. The government needs to develop policies and incentives (e.g. tax incentives, government procurement policies, trade agreements that benefit organic goods industry, shifting focus from oil and gas in order to support other socially and environmentally focused industries) that will help the sector grow. The government could also facilitate access to funding and provide networking and mentoring opportunities for social ventures.
- ▶ **Academia and industry need to work together to ensure there is adequate supply of skilled workers to facilitate the growth and development of the sector.** Canadian universities and post-secondary institutions need to make sure their business graduates have been trained of the importance of social and environmental values. Curriculum at business schools should include instruction about social ventures and their corporate structures, and how to accurately measure the performance and impacts of social ventures. Social ventures also need to have access to training opportunities for their staff (e.g. developing a business plan, sales training, marketing, etc.). Entrepreneurial training for social ventures should be incorporated into secondary school, college, and university programming.
- ▶ **There is a need to increase collaboration between government, industry, academia and the representatives of the social venture sector (4).** Such collaboration could involve a wide range of stakeholders (e.g. BC Ministry of Technology, BC Innovation Council, Ministry of Social Innovation, representatives of the federal government, and industry) and focus on areas deemed important for the development of the sector

such as access to resources, development of skills and labour, and other important areas.

- ▶ **Make support and resources relevant to Aboriginal people (2).**
There is a need to create educational programs that are appropriate for indigenous peoples and their needs and to have a greater understanding of the challenges and issues facing social ventures in indigenous communities. There is also a need to create more supports and resources for social ventures located in rural communities as the challenges and issues they face are different from those located in urban areas (2).

- ▶ **Make all existing tools and resources geared to support SMEs available to social venture organizations (2).** As the SMEs have been a primary focus of many policies and initiatives over the last decades, there are significant resources developed and made available for them in the province (e.g. supports and resources developed by Community Futures, boards of trades, chambers of commerce etc.). As the social venture sector includes organizations from a wide range of backgrounds and legal structures, not all resources currently made available for SMEs are accessible by social ventures. There is a need to ensure that social ventures are aware and have access to these beneficial resources.

Actions Recommended by Survey Participants

Survey respondents were also asked to provide recommendations that government, industry, academia, training organizations and others could take to address potential future skills shortages in the sector. As indicated in Table 50, the most frequent actions suggested are that stakeholders need to increase the number and magnitude of wage support programs so that the sector can pay more competitive wages (17%), increase the level of funding provided to non-profit organizations by government (16%), provide more funding directly to employers to invest in employee training (14%), and provide more funding for individuals to access training opportunities of their choice (10%).

| RECOMMENDED ACTION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|----|--------------|----|------------|----|-------|----|
| | # | % | # | % | # | % | # | % |
| Increase wage support programs | 8 | 20 | 0 | 0 | 2 | 15 | 10 | 17 |
| Increase government funding to organizations for operations | 9 | 23 | 0 | 0 | 0 | 0 | 9 | 16 |
| Provide more funding to employers for training | 4 | 10 | 2 | 40 | 2 | 15 | 8 | 14 |

TABLE 50: ACTIONS RECOMMENDED BY SURVEY PARTICIPANTS

| RECOMMENDED ACTION | Non-Profit | | Cooperatives | | Businesses | | Total | |
|---|------------|------------|--------------|------------|------------|------------|-----------|------------|
| | # | % | # | % | # | % | # | % |
| Provide more funding to individuals for training | 5 | 13 | 0 | 0 | 1 | 8 | 6 | 10 |
| Enhance current apprenticeship, mentorship and practicum/placement programs | 5 | 13 | 0 | 0 | 2 | 15 | 7 | 12 |
| Increase subsidies for childcare | 4 | 10 | 0 | 0 | 0 | 0 | 4 | 7 |
| Shift focus of government support from extractive industries to newly emerging sectors | 1 | 3 | 1 | 20 | 2 | 15 | 4 | 7 |
| Integrate focus on the social venture sector into post-secondary education | 0 | 0 | 1 | 20 | 2 | 15 | 3 | 5 |
| Reduce tax burden on social venture organizations | 0 | 0 | 0 | 0 | 3 | 23 | 3 | 5 |
| Improve general access/affordability to post-secondary education | 2 | 5 | 0 | 0 | 0 | 0 | 2 | 3 |
| Structure training/education so it is less disruptive to individuals wishing to remain in the workforce | 2 | 5 | 0 | 0 | 0 | 0 | 2 | 3 |
| Other recommendations | 4 | 10 | 1 | 20 | 1 | 8 | 6 | 10 |
| Total Answering | 40 | 100 | 5 | 100 | 13 | 100 | 58 | 100 |

TABLE 50 CONT'D: ACTIONS RECOMMENDED BY SURVEY PARTICIPANTS

CONCLUSIONS BY RESEARCH QUESTION



This chapter summarizes the data collected from secondary sources, survey of social ventures, case studies and interviews with subject matter experts to answer each of the research questions that were posed in the first chapter.

Question 1: How large is the social venture sector in British Columbia?

There are an estimated 1,127 social venture organizations operating in BC in 2015 (within the scope defined for this study), of which 661 (57%) are non-profits and registered charities, 262 (23%) are businesses, 191 (17%) are cooperatives and 13 (1%) are community contribution companies (C3s). As indicated in Figure 1 below, the largest sub-sectors in terms of number of organizations were those related to arts, entertainment and recreation (22% of organizations), health and social services (15%) professional, grant-making, civic, and similar organizations (14%), retail/wholesale trade (11%), and professional, scientific and technical services (9%).

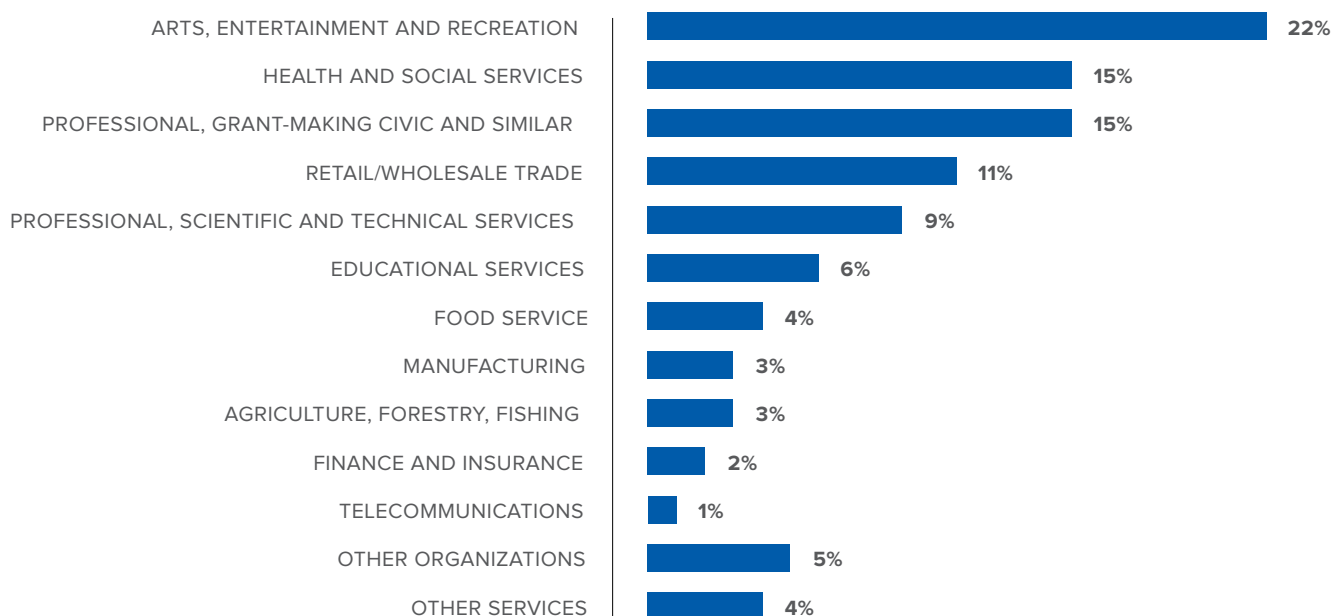


FIGURE 1: SOCIAL VENTURE ORGANIZATIONS BY SUB-SECTOR

Over the past five years, the social venture sector in BC has grown by an estimated 36%, from 831 organizations in 2010 to 1,127 organizations in 2015. Non-profit social ventures were responsible for 33% of the increase in total organizations (i.e. 97 new non-profit organizations among the 296 new social ventures), businesses accounted for 42% of the growth, co-ops for 22%, and C3s for 4%. Businesses in the sector have experienced the highest rate of growth (89% growth, from 139 organizations in 2010 to 262 organizations in 2015), followed by cooperatives (50% growth, from 127 organizations in 2010 to 191 organizations in 2015) and non-profits (17% growth from 564 organizations in 2010 to 661 organizations in 2015). In 2013, the BC government passed legislation allowing a new type of organization called Community Contribution Companies (C3) to be registered in BC, which are considered social ventures. As of September 2014, 21 C3s had been registered of which 13 appeared to be active.

The social venture sector in BC employs an estimated total of 12,790 workers. This includes 9,244 employees (4,918 or 53% full-time and 4,326 or 47% in part-time positions) that will receive a T4 and 3,546 contract positions. This is equal to 4.4 full time and 3.8 part time employees per organization and 3.1 contractors. Twenty-three percent of full and part-time employees (2,118 individuals) work in a temporary position. There are an estimated 2.48 million employed persons in British Columbia⁷, meaning the social venture sector accounts for approximately 0.5% of total provincial employment.

Over the past five years, the number of workers (regular and temporary employees as well as contractors) in BC's social venture sector has grown by an estimated 43% from 7.9 workers per organization in 2010 to 11.4 workers per organization in 2015. This indicates that the sector overall has grown from approximately 8,903 workers five years ago to today's total of 12,790. The rate of employment growth was highest among businesses (117%) as compared to non-profits (34%) and cooperatives (29%), but the greatest share of new workers are at non-profit organizations (2,368 of the 3,887 new workers or 61%) followed by businesses (32% of total new workers), co-operatives (7% of new workers), and C3s (0.4% or 16 of the new workers in the sector).

Aggregate total revenues generated by the social venture sector in BC are estimated to be \$533 million annually, or 0.2% of the total BC economy (\$229 billion in 2013)⁸, with each social venture organization generating an average of \$473,000 in revenues per year. Non-profit organizations reported significantly higher revenues (median range of \$250,000 to \$499,000) than either businesses (median range of \$100,000 to \$249,999) or cooperatives (median range of \$50,000 to \$99,999).

7. BC Stats, Labour Force Statistics Highlights, September 2015.

8. Statistics Canada, CANSIM table 384-0037

Question #2: What contribution do social ventures make to the fabric of British Columbia?

Social and/or environmental mission, mandate, and objectives are the primary focus of 82% of social venture organizations. As demonstrated in Figure 2, most social venture organizations in BC focus on achieving sustainability and environmental conservation or education related to clean energy, waste reduction, transportation or climate change (17%), promoting or providing arts, recreational, and cultural opportunities (16%), providing jobs and skills training, including employment generation for youths and for people with multiple barriers to employment (13%), delivering childcare or other forms of early childhood education (8%), or are working towards improved food security through sustainable agriculture and services (8%).

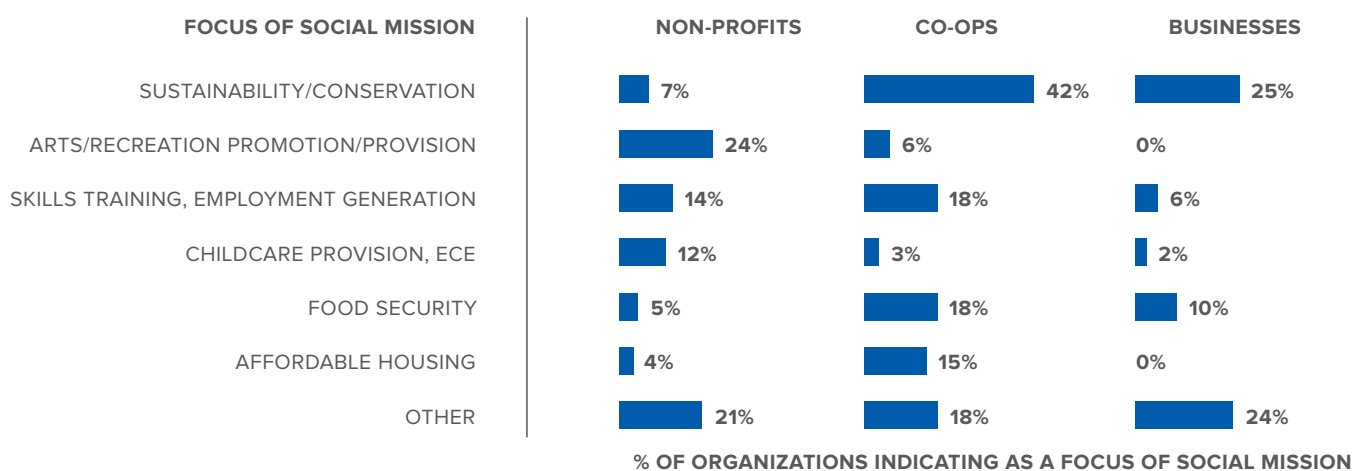


FIGURE 2: FOCUS OF SOCIAL MISSION, MANDATE OR OBJECTIVE IN BC'S SOCIAL VENTURE SECTOR

For over half of social ventures (54%) their social or environmental purpose and mission is the primary reason for existence and for one-third (33%) the social or environmental objectives are one of the key reasons for existing. Only 13% of social ventures consider their social or environmental purpose and mission as a positive by-product of its operations. Most social ventures (76%) proactively communicate their social mandate, mission and objectives to their customers.

Social ventures achieve their social mission and objectives by producing products or services considered to have an inherently positive social impact (72%); providing systematic solutions to social issues such as poverty, inequality, education, the environment, and economic development (48%); employing a delivery model which, itself, fosters positive social impacts such as employing under-represented groups, employs fair or ethical business practices, and operates in a transparent and responsible manner (46%); and providing products or services in communities or rural areas where they would not otherwise be available (37%). Many social ventures generate social and/or environmental impacts in more than areas. Examples of such social ventures include an organization that produces washable menstrual pads (environmental impact) to help empower young women and girls in developing countries, or an organization that provides a waterless car wash service that employs homeless youth.

Question 3: What are the characteristics of social venture organizations in BC?

The main characteristics of the social venture organizations operating in BC are as follows:

- ▶ **There is a perception among key informants that the social venture sector in BC is new and emerging.** The research conducted in this study demonstrated that only social ventures representing the private sector and Community Contribution Companies are relatively new (63% percent of all businesses were created within last 10 years and 42% were created within last 5 years, and all 13 Community Contribution Companies were created within last 5 years). The non-profit and cooperative social ventures are well established. Most non-profits (78%) and 39% of cooperatives have been in operation for more than 10 years. The average age of non-profit social ventures in BC is 19.1 years, the average age of cooperative social ventures is 10.4 years, while the average age of businesses in the sector is 8.2 years.
- ▶ **Most social venture organizations in BC operate locally.** Survey results indicate that 37% of social venture organizations operate in the Mainland/Southwest, 30% operate in Vancouver Island and the Coast, 10% in the Kootenays, 9% in Thompson-Okanagan region, 5% on the North Coast, 3% in the Cariboo, 3% in the Northeast, and 1% in the Nechako region. Operations of 19% of BC social ventures cover multiple regions or the entire province, and the activities of 12% of social ventures span beyond the provincial borders.
- ▶ **Based on a survey of social ventures, nearly half of social ventures (46%) report annual revenues of less than \$250,000, and 21% report revenues of over \$1 million.** In 2014, surveyed social ventures reported average median range of revenues of \$250,000 to \$499,999 annually, which was much higher for non-profits (\$250,000 to \$499,999) compared to businesses (\$100,000 to \$249,000), cooperatives (\$50,000 to \$99,999) and C3s (\$25,000 to \$49,999).
- ▶ **To support their operations, most social ventures rely on raising capital internally.** According to the survey of social ventures, primary sources of capital for social venture organizations included internally generated funds (indicated as a source by 71% of respondents), contributions from government (33% of respondents), private donors or corporate gifts (29% of respondents), membership fees (24% of respondents), loans from financial institutions (21%), funding from founding shareholders (20%), funding from parent organizations (9%), non-bank loans such as contributions from friends and family (7%), social investors (7%), and contributions from venture capitalists or angel investors (2%). Compared to other social ventures, cooperatives were most likely to raise capital through membership fees (45%) and businesses were more likely to acquire loans from financial institutions (45%) or raise funds from the founding shareholders (42%).

Non-profit social ventures were also more likely to receive government funding (49%) and corporate gifts from private donors (43%) compared to other types of social ventures.

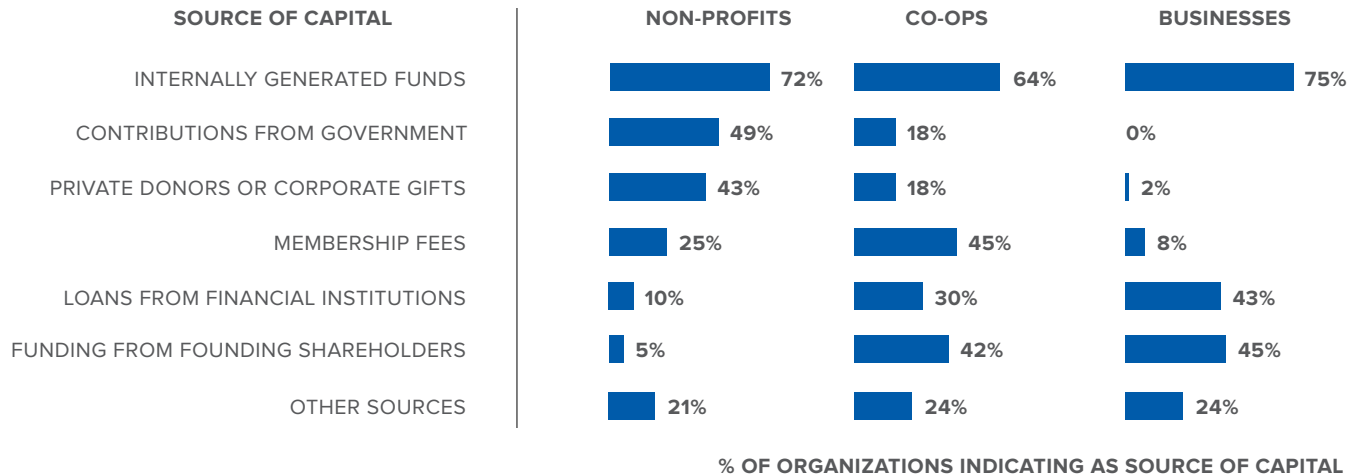


FIGURE 3: PRIMARY SOURCES OF CAPITAL BY SOCIAL VENTURE TYPE

- ▶ **About half (51%) of businesses surveyed are owned by a single individual** and an additional 16% are owned by multiple members of the same family. In addition, about one-third (36%) of cooperative social ventures and 4% of businesses surveyed are owned by non-profit organizations.

Question 4: What are the characteristics of the sector’s labour force?

According to the survey of social ventures, the key characteristics of workers in the social venture sector include:

- ▶ **Most of the workforce in the sector (72%) is employed by non-profit social ventures**, followed by cooperatives (8%) and businesses (20%). Of the 1,127 social venture organizations operating in BC in 2015, 78% had employees (who are issued a T4 slip), 62% employed workers on a contract basis and 68% used volunteers in their operations. It is estimated that the sector employed a total of 9,244 employees that will receive a T4, of whom 4,918 (53%) worked full time positions and 4,326 (47%) worked in part-time positions. Twenty-three percent of all employees (2,118) worked in temporary positions. In July 2015, just 20% of employed person in British Columbia worked in a part-time position, with 80% working full-time⁹.

⁹ Statistics Canada, CANSIM table 282-0001.

- ▶ **Non-profit organizations reported an average of 4.8 full-time and 5.1 part-time employees** with 25% (2.5 per organization) in a temporary position; businesses reported an average of 4.7 full-time and 2.2 part-time employees, with 17% (0.8 per organization) in temporary positions, and co-ops reported an average of 1.8 full-time and 2.1 part-time employees, with 20% (0.8) in temporary positions. None of the C3s that participated in the study had any employees that will receive a T4¹⁰.
- ▶ **The largest share of employees (46%) work in positions related to delivering services for clients, programs or projects.** This is followed by the share of total employees working in positions related to producing products for clients or customers (17%) and those in skilled support functions such as accounting, finance, human resources, IT, strategic planning, etc. (10%).
- ▶ **A majority (62%) of the social ventures in BC also employ contractors.** Non-profit social ventures reported employing an average of 5.9 contracted individuals, businesses reported employing an average of 2.2 contractors, cooperatives reported employing an average of 2.0 contractors, and C3s reported employing an average of 1.3 contractors. The majority of contractors (64%) are employed to deliver services for clients, programs or projects and to support the operations of the organization (10%). Social ventures use contractors to fill positions that are part-time or temporary (63%) and also to save money as the cost of hiring a contractor is less than hiring an employee (21%).
- ▶ **According to the organizations surveyed, women make up nearly three-quarters (68%) of the work force.** However, this is mainly due to significantly higher proportion of female employees among non-profit social ventures (72%). The proportion of female employees in cooperatives (64%) and businesses (50%) was much lower, and closer to the overall distribution of paid workers in British Columbia (47% of all workers in July 2015 were female¹¹). Eighteen percent of the workforce is under the age of 25 and 13% are over the age of 55, which indicates a more youthful workforce in the social venture sector than observed in the overall BC labour force (where 15% of all workers are under the age of 25 and 20% are over the age of 55¹²). Thirty-two percent of the workforce is hired over the last two years, 3% are of Aboriginal background, 3% are supported by a wage subsidy from the BC Government, 5% are people who face multiple barriers to employment, and 3% are recent immigrants who came to Canada within the past five years. The participation of recent immigrants in the social venture sector mirrors that of the overall labour force in BC (in July 2015, 3.4% of employed people in BC were immigrants that had landed in the past 5 years)¹³.

¹⁰. S C3 organizations are all relatively new as the legislation allowing them came into effect in 2013. As such, their operations are not sufficiently large to employ regular staff and instead use only contractors. ¹¹. Statistics Canada, CANSIM table 282-0001. ¹². Ibid. ¹³. Statistics Canada, CANSIM table 282-0001 and CANSIM table 282-0101.

- ▶ **According to the employers, 39% of the workforce has a university education and 31% have professional credentials.** This compares favourably with the BC labour force overall: in July 2015, 29% of all employed persons in BC had a university degree²⁴.
- ▶ **Social venture organizations reported wide ranging use of volunteer labour,** based largely on their organizational type. Non-profit social ventures reported an average of 103 volunteers, cooperatives reported an average of 17 volunteers, and C3s reported an average of 7 volunteers. Businesses were much less likely to report the use of volunteers, with 75% having none at all (an average of 4 per organization).

Question 5: How strong is the existing labour market for the sector and what is the outlook going forward?

Overall, staff turnover does not appear to be a serious problem for the organizations surveyed. Sixty percent of social ventures that provided their turnover rates indicated it was between 0% and 5% in the past year and only 13% said the rate was over 25%. Employee turnover averages about 12%, which compares favourably to the average turnover rate reported for BC (16%) and nationally (17%) in 2003. Overall, turnover rates were higher among cooperatives (14%) and non-profit social ventures (13.6%) compared to businesses (6.7%). The major factors that contributed to staff turnover include workers leaving to take a job with another employer, the seasonal nature of work, and poor work performance resulting in termination. The social venture sector is most likely to hire individuals entering into the workforce as well as those working for private sector companies. During the last year, each social venture hired an average of 2.5 workers to fill new positions or to replace staff members who had left the organization. An estimated 37% of these new employees were entering or re-entering the workforce, 24% were working for an employer in the private sector, 16% were unemployed, 9% were working for an employer in the non-profit sector, and 4% were working for an employer in government.

When attracting and retaining qualified employees, the major competitive strengths of social venture organizations include the social missions and values and the importance of the work performed by the sector; the positive, supportive work environment; flexible work schedules including reduced hours of work or the opportunity to work from home at least some of the time; and, the generally positive reputation of the sector overall. There are many skilled employees who share the beliefs and values of social venture organizations and want to be part of the solution while working in an innovative and progressive work environment.

The major weaknesses of the sector in recruiting and retaining qualified staff includes lower wages, benefits and salaries; the lack of professional development and advancement opportunities provided for staff members; difficulty in balancing a social mission and business realities; difficulties in raising capital; the lack of knowledge or understanding of the social venture sector among the potential labour force and the general public; and the level of job security provided to employees.

¹⁴. Statistics Canada, CANSIM table 282-0001.

Of the social ventures surveyed, 55% expect the number of people they employ to increase over the next three years, 23% expect the number of employees to stay the same, and 22% expect a decrease. The average number of workers per organization is projected to increase by 23% over the next three years.

Continued growth of the social venture sector combined with the aging of the existing workforce will result in worsening labour conditions and skill shortages. The positions that are expected to be most difficult to fill will include senior leadership positions overseeing the operations of social venture organizations; managers responsible for the delivery of services, programs or projects, or the production of products; and staff involved primarily in producing products and delivering services. One of the unique challenges of the social venture sector is hiring and retaining staff members who have the necessary business skills and also share organizational beliefs and values.

To address labour shortages, social ventures most commonly plan to expand the amount of internal or informal training or mentoring provided to employees; increase the wages or benefits to make their positions more attractive to candidates; restructure the work; more aggressively promote job postings; outsource certain functions or work to other organizations or companies; or hire more casual workers or workers on a contract basis to do the work.

Question 6: What are the key issues and challenges facing the sector and what actions, if any, should be taken to facilitate further development of the social venture sector in British Columbia?

- ▶ **The success of a given social venture is determined by a number of** important factors, including the extent to which the organization has a strong business model, product, processes and operations; strong leadership, able to communicate a clear vision and unite a qualified team to achieve common goals; access to capital and financial resources critical to develop products and services and to hire qualified staff members; a clear mandate, mission or vision; and the necessary focus to achieve objectives, which helps to engage employees, customers, investors and other stakeholders.
- ▶ **The major challenges and constraints to further development of social** venture organizations include limited access to capital, including investment capital, debt financing, internally generated funds, and government funding; difficulties in balancing social mission with business realities; lack of available management resources and capabilities (e.g. internal expertise or leadership to drive further development of the business operations and undertake social/environmental activities and programming); and difficulties in understanding and assessing consumer demand and market conditions and adjusting activities and products to meet customer preferences and market needs. As certain components of the sector (e.g., C3s and

businesses) are new and emerging, some challenges social ventures are also facing are regulatory barriers, lack of access to government funding and incentives, inability to recruit and retain qualified staff and incentives and inability to build partnerships with various industry players and investors.

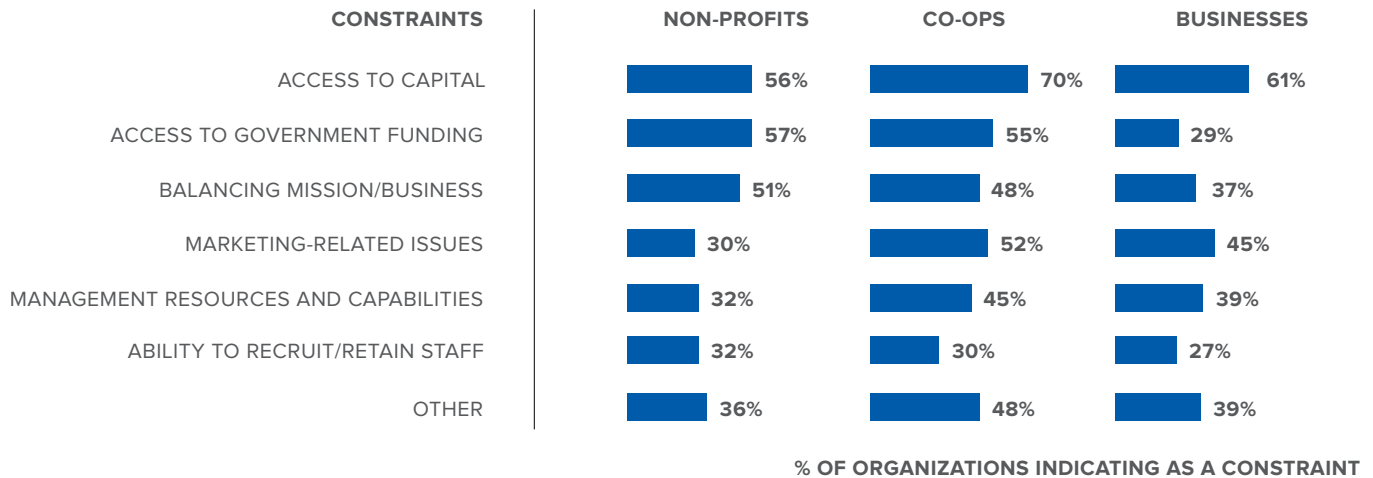


FIGURE 4: CONSTRAINTS TO FURTHER DEVELOPMENT BY SOCIAL VENTURE TYPE

- ▶ **Over the next five to ten years, social ventures will face a number of challenges and opportunities.** As the ‘baby boomers’ retire, some social ventures (especially non-profits and cooperatives that have been operational for many years) will lose their leaders (and perhaps some of their corporate memory) resulting in a lack of business and entrepreneurial skills. Difficulties in accessing capital and problems in balancing the social mission with business realities will continue affect the sector. At the same time, as the sector develops, an increasing number of educational institutions and universities will be involved in developing skills, qualifications and values necessary for employees in the social venture sector, which will alleviate the skills shortages. Increased consumer awareness of the social and environmental issues and demand for healthier products and more ethical business operations and practices will create many new opportunities for social ventures.

- ▶ **The results of the study identified a number of recommendations and potential areas of actions for government, academia, and those in the social venture sector to help the sector grow and prosper.** These recommendations are aligned with existing body of the knowledge and recommendation made in previous similar studies and research¹⁵ conducted in the province and include:
 - ▶ **Developing policies and incentives (e.g. tax incentives,** government procurement and procurement policies, trade agreements that benefit organic goods industry, etc.) that will help the sector grow.
 - ▶ **Increasing the number and size of wage support programs so that** the sector can pay more competitive wages;
 - ▶ **Helping social ventures to access capital, financing and** government funding to better develop their business activities, products and services and hire qualified staff;
 - ▶ **Providing more training and skills development opportunities** for those employed in social venture organizations or seeking careers in the sector; and ensuring those graduating from business programs have the necessary skills and values to work for social ventures;
 - ▶ **Development of networking and mentoring opportunities for** social ventures to learn from the experiences of one another; and the creation of more incubators and accelerators focused on the development of the social venture sector;
 - ▶ **Increasing awareness and profile of the sector among the general** public, consumers and potential employees;
 - ▶ **Making sure all resources and tools developed for SMEs are also** available to social ventures and ensuring that these tools and resources consider the needs of Aboriginal organizations and social ventures in rural areas of the province.

¹⁵. For example, the recommendations made in BC Social Innovation Council (2012), Action Plan Recommendations to Maximize Social Innovation in British Columbia and conclusions from ENP (2011) Final Report on Social Enterprise Access to Small and Medium Enterprise (SME) Services.



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<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820001&&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=#F11>

Statistics Canada. *Table 282-0101 - Labour force survey estimates (LFS), by immigrant status, age group, Canada, regions, provinces and Montreal, Toronto, Vancouver census metropolitan areas, 3-month moving average, unadjusted for seasonality, monthly (persons unless otherwise noted)*, CANSIM (database).
<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820101&&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

Statistics Canada. *Table 282-0003 Labour force survey estimates (LFS), by educational attainment, sex and age group, unadjusted for seasonality, monthly (persons unless otherwise noted)*, CANSIM (database).
<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=2820003&&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

Statistics Canada. *Table 384-0037 Gross domestic product, income-based, provincial and territorial, annual*, CANSIM (database).
<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3840037&&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>



APPENDIX 1

CROSS TABULATIONS OF KEY SURVEY RESULTS

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

FEWER THAN 5 5 - 10 11 - 30 OVER 30

Self-identified as a social venture

| | | | | |
|--------------------------|-----|-----|-----|-----|
| Yes | 76% | 65% | 73% | 77% |
| No | 4% | 12% | 9% | 14% |
| Don't know/unsure | 19% | 23% | 18% | 9% |

Length of operations

| | | | | |
|--|------|------|------|------|
| Average (Years, based on midpoints) | 10.7 | 13.4 | 17.6 | 20.7 |
|--|------|------|------|------|

Region of operations

| | | | | |
|-------------------------------|-----|-----|-----|-----|
| All of BC | 20% | 23% | 17% | 23% |
| Vancouver Island/Coast | 37% | 27% | 30% | 27% |
| Mainland/Southwest | 29% | 39% | 39% | 59% |
| Thompson/Okanagan | 6% | 6% | 19% | 5% |
| Kootenay | 10% | 9% | 11% | 9% |
| Cariboo | 3% | 2% | 6% | 5% |
| North Coast | 6% | 6% | 4% | 5% |
| Nechako | 0% | 2% | 2% | 5% |
| Northeast | 1% | 2% | 4% | 9% |
| Outside of BC | 11% | 14% | 11% | 14% |

Social mission

| | | | | |
|-------------------|-----|-----|-----|-----|
| % Yes | 83% | 80% | 84% | 78% |
| % Somewhat | 17% | 20% | 16% | 22% |

Table A-1: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

| | FEWER THAN 5 | 5 - 10 | 11 - 30 | OVER 30 |
|------------------------------------|---------------------|---------------|----------------|----------------|
| Communicates social mission | | | | |
| % Yes | 90% | 72% | 69% | 72% |
| % Somewhat | 10% | 28% | 31% | 28% |

Types of social impacts generated

| | | | | |
|--|-----|-----|-----|-----|
| Providing systemic solutions to social issues? | 51% | 44% | 54% | 39% |
| Producing products or services considered to have an inherently positive social impact? | 76% | 76% | 70% | 78% |
| Employing a delivery model which, itself, fosters positive social impacts? | 46% | 44% | 48% | 52% |
| Providing products or services in communities or rural areas where they would not otherwise be available? | 40% | 39% | 35% | 26% |
| Allocating at least a share of your profits to a social mandate activity? | 18% | 8% | 7% | 9% |
| None of the above | 4% | 2% | 2% | 4% |

Role of social impacts

| | | | | |
|---|-----|-----|-----|-----|
| The primary reason why the organization exists | 56% | 58% | 53% | 25% |
| One of the key reasons why the organization exists | 33% | 36% | 32% | 13% |
| A positive by-product of its operations | 10% | 6% | 16% | 63% |

Revenue generation

| | | | | |
|--|--------|--------|--------|--------|
| Average Revenue (\$ Millions) | \$0.14 | \$0.49 | \$1.69 | \$2.64 |
| Average % Revenues from G&S | 73% | 78% | 77% | 65% |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

| | FEWER THAN 5 | 5 - 10 | 11 - 30 | OVER 30 |
|---|---------------------|---------------|----------------|----------------|
| Revenue generation | | | | |
| Average share of G&S from government contracts | 3% | 4% | 8% | 7% |

| | | | | |
|---|-----|-----|-----|------|
| Use of employees, contractors + volunteers | | | | |
| Employs T4 employees | 39% | 92% | 97% | 100% |
| Employs Contractors | 48% | 67% | 69% | 83% |
| Uses volunteers regularly | 73% | 62% | 71% | 70% |

| | | | | |
|--|------|------|------|------|
| Number of employees, contractors, and volunteers (averages include organizations not reporting) | | | | |
| Total employees reported | 52 | 332 | 889 | 1004 |
| Average number of employees | 0.7 | 5.0 | 15.3 | 43.7 |
| Total contractors reported | 66 | 134 | 175 | 577 |
| Average number of contractors | 0.9 | 2.0 | 3.0 | 25.1 |
| Total volunteers reported | 2256 | 6441 | 3279 | 2298 |
| Average number of volunteers | 31.3 | 97.6 | 56.5 | 99.9 |

| | | | | |
|---|-----|-----|-----|-----|
| Percentage of employees that are | | | | |
| Female | 71% | 65% | 68% | 68% |
| Male | 35% | 32% | 32% | 32% |
| University Educated | 69% | 53% | 36% | 36% |
| Professionally credentialed | 21% | 29% | 35% | 28% |
| Under the age of 25 | 17% | 11% | 15% | 23% |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

| | FEWER THAN 5 | 5 - 10 | 11 - 30 | OVER 30 |
|---|---------------------|---------------|----------------|----------------|
| Percentage of employees that are: | | | | |
| 55 years of age or older | 23% | 14% | 15% | 11% |
| Hired in the past 2 years | 62% | 41% | 33% | 27% |
| Aboriginal | 6% | 2% | 4% | 2% |
| Recent immigrants who moved to Canada in the past 5 years | 8% | 4% | 4% | 2% |
| Supported with a wage subsidy from the Government of BC | 4% | 1% | 6% | 0% |
| People who face multiple barriers to employment that directly interfere with their ability to access, find and keep employment | 2% | 6% | 9% | 0% |

Percentage of employees working in positions related to:

| | % | % | % | % |
|---|----------|----------|----------|----------|
| Delivering services for your clients, programs or projects | 27% | 14% | 8% | 5% |
| Producing products for your clients | 10% | 20% | 16% | 19% |
| Skilled support functions | 22% | 37% | 46% | 51% |
| Managing the operation | 7% | 12% | 8% | 7% |
| Sales, marketing or fundraising | 23% | 10% | 8% | 11% |
| Semi-skilled or unskilled support functions | 10% | 5% | 10% | 7% |
| Other | 2% | 2% | 4% | 0% |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

| | FEWER THAN 5 | 5 - 10 | 11 - 30 | OVER 30 |
|--|---------------------|---------------|----------------|----------------|
| Change in the number of employees | | | | |
| Less than 5 years ago | 11% | 11% | 13% | 5% |
| The same as 5 years ago | 50% | 28% | 33% | 24% |
| Higher than 5 years ago | 39% | 61% | 54% | 71% |

Expected future hiring (over the next 3 years)

| | | | | |
|---|-----|-----|-----|-----|
| Average % growth expected in employment | 38% | 18% | 18% | 29% |
|---|-----|-----|-----|-----|

Positions expected to be difficult to fill (% answering very difficult)

| | | | | |
|---|-----|-----|-----|-----|
| Managers overseeing the delivery of services, programs or projects, or the production of products | 4% | 18% | 17% | 10% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 29% | 3% | 9% | 19% |
| Sales, marketing or fundraising positions | 7% | 14% | 2% | 14% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 9% | 5% | 0% | 35% |

Future shortages (% a major reason)

| | | | | |
|---|-----|-----|-----|-----|
| Many of the skilled workers in these positions are nearing retirement | 0% | 2% | 12% | 31% |
| Education and training relevant to this position is not available, not effective or too expensive | 7% | 11% | 20% | 31% |
| The skills and experience of the available candidates do not transfer well to our type of operation | 17% | 22% | 21% | 15% |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

| | FEWER THAN 5 | 5 - 10 | 11 - 30 | OVER 30 |
|---|---------------------|---------------|----------------|----------------|
| Future shortages (% a major reason) | | | | |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 8% | 40% | 48% | 45% |
| Workers from outside of BC have the necessary skills but have difficulty getting those skills recognized | 3% | 4% | 13% | 0% |
| There is a general shortage of workers available | 14% | 15% | 26% | 23% |
| While there are people with these skills available, it is difficult to attract them to our operation | 10% | 27% | 21% | 40% |

Strategies Against Skills Shortages

| | | | | |
|---|-----|-----|-----|-----|
| Increase your investment in formal or external training | 14% | 14% | 36% | 21% |
| Expand the amount of internal or informal training or mentoring provided to employees | 36% | 40% | 67% | 64% |
| Increase the wages or benefits you pay to make your positions more attractive to candidates | 39% | 48% | 56% | 50% |
| Slow the rate of growth or reduce the size of your organization | 4% | 14% | 17% | 21% |
| Increase the amount of overtime worked by your employees | 7% | 4% | 8% | 0% |
| Outsource certain functions or work | 36% | 32% | 28% | 29% |
| Hire more casual workers or workers on a contract basis | 32% | 30% | 25% | 14% |
| More aggressively promote your job openings | 25% | 32% | 33% | 43% |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

FEWER THAN 5 5 - 10 11 - 30 OVER 30

Strategies Against Skills Shortages

| | | | | |
|---|-----|-----|-----|-----|
| Increase your investment in equipment or technology to reduce labour requirements | 11% | 6% | 14% | 14% |
| Introduce or expand job sharing programs | 21% | 14% | 19% | 14% |
| Restructure the work | 29% | 34% | 36% | 43% |

Competitive strengths (% a major strength)

| | | | | |
|---|-----|-----|-----|-----|
| The importance of the work we perform | 81% | 91% | 94% | 76% |
| The opportunities for advancement | 16% | 11% | 10% | 10% |
| The opportunities for further professional development | 45% | 27% | 29% | 38% |
| The opportunities to interact with clients or the general public | 73% | 62% | 77% | 76% |
| The positive work environment | 77% | 88% | 92% | 90% |
| The wages and benefits relative to those offered by other employers | 12% | 11% | 25% | 29% |
| The level of job security | 16% | 12% | 25% | 48% |
| The opportunity to work part-time/seasonally or job share | 55% | 47% | 36% | 38% |

Major Constraints to Development of Organization

| | | | | |
|---|-----|-----|-----|-----|
| Access to capital (e.g. access to investment capital, debt financing, internally generated funds) | 58% | 60% | 63% | 59% |
| Management resources and capabilities (e.g. internal expertise or leadership to drive further development of the business operations) | 44% | 42% | 22% | 27% |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES

SIZE OF ORGANIZATION (NUMBER OF WORKERS)

| | FEWER THAN 5 | 5 - 10 | 11 - 30 | OVER 30 |
|---|---------------------|---------------|----------------|----------------|
| Major Constraints to Development of Organization | | | | |
| Willingness of your organization to take on business risk | 24% | 23% | 30% | 32% |
| Difficulties in balancing a social mission with business realities | 36% | 49% | 61% | 55% |
| Your ability to recruit and retain needed managers and staff | 19% | 42% | 37% | 23% |
| Market and marketing-related issues | 43% | 43% | 30% | 23% |
| Access to government funding | 53% | 55% | 52% | 41% |
| Legal barriers or regulatory issues | 10% | 12% | 19% | 9% |
| N = | 72 | 66 | 58 | 23 |

Table A-1 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY SIZE OF ORGANIZATION

SUMMARY OF KEY SURVEY RESPONSES
REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|--|------------------------|-------------------------------|------------------------------------|--|-----------------------------|
| Self-identified as a social venture | | | | | |
| Yes | 71% | 74% | 70% | 64% | 79% |
| No | 9% | 8% | 9% | 9% | 10% |
| Don't know/unsure | 20% | 18% | 21% | 27% | 12% |

| Length of operations | Years, based on midpoints | | | | |
|-----------------------------|----------------------------------|------|------|------|------|
| Average | 14.3 | 13.8 | 15.4 | 12.4 | 12.4 |

| Region of operations | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|-----------------------------|------------------------|-------------------------------|------------------------------------|--|-----------------------------|
| All of BC | 10% | 9% | 3% | 9% | 81% |
| Vancouver Island/Coast | 16% | 100% | 9% | 9% | 17% |
| Mainland/Southwest | 100% | 20% | 15% | 0% | 25% |
| Thompson/Okanagan | 6% | 5% | 58% | 14% | 8% |
| Kootenay | 4% | 3% | 64% | 14% | 6% |
| Cariboo | 0% | 0% | 6% | 32% | 2% |
| North Coast | 0% | 3% | 3% | 50% | 4% |
| Nechako | 0% | 0% | 0% | 14% | 0% |
| Northeast | 0% | 0% | 3% | 27% | 2% |
| Outside of BC | 14% | 12% | 15% | 5% | 49% |

| Social mission | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|-----------------------|------------------------|-------------------------------|------------------------------------|--|-----------------------------|
| % Yes | 73% | 88% | 91% | 82% | 83% |
| % Somewhat | 28% | 12% | 9% | 18% | 17% |

Table A-2: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|------------------------------------|--------------------------------|--|---|--|--------------------------------------|
| Communicates social mission | | | | | |
| % Yes | 72% | 77% | 80% | 82% | 82% |
| % Somewhat | 26% | 23% | 20% | 18% | 18% |

Types of social impacts generated

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Providing systemic solutions to social issues? | 45% | 47% | 61% | 45% | 57% |
| Producing products or services considered to have an inherently positive social impact? | 76% | 66% | 65% | 82% | 73% |
| Employing a delivery model which, itself, fosters positive social impacts? | 43% | 48% | 58% | 50% | 43% |
| Providing products or services in communities or rural areas where they would not otherwise be available? | 23% | 34% | 61% | 64% | 39% |
| Allocating at least a share of your profits to a social mandate activity? | 9% | 13% | 16% | 9% | 16% |
| None of the above | 3% | 0% | 10% | 5% | 0% |

Role of social impacts

| | | | | | |
|---|-----|-----|-----|-----|-----|
| The primary reason why the organization exists | 43% | 63% | 50% | 56% | 42% |
| One of the key reasons why the organization exists | 38% | 26% | 33% | 33% | 50% |
| A positive by-product of its operations | 19% | 11% | 17% | 11% | 8% |

Revenue generation

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Average Revenue (\$ Millions) | \$1.07 | \$0.98 | \$0.78 | \$0.96 | \$1.13 |
| Average % Revenues from G&S | 79% | 73% | 72% | 70% | 82% |

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|--|--------------------------------|--|---|--|--------------------------------------|
|--|--------------------------------|--|---|--|--------------------------------------|

Revenue generation

| | | | | | |
|---|----|----|----|----|----|
| Average share of G&S from government contracts | 5% | 3% | 6% | 4% | 5% |
|---|----|----|----|----|----|

Use of employees, contractors + volunteers

| | | | | | |
|----------------------------------|-----|-----|-----|-----|-----|
| Employs T4 employees | 83% | 70% | 85% | 86% | 68% |
| Employs Contractors | 63% | 64% | 55% | 59% | 66% |
| Uses volunteers regularly | 55% | 74% | 70% | 82% | 51% |

Number of employees, contractors, and volunteers (averages include organizations not reporting)

| | | | | | |
|--------------------------------------|------|------|------|------|------|
| Total employees reported | 1065 | 547 | 317 | 293 | 624 |
| Average number of employees | 13.3 | 8.3 | 9.6 | 13.3 | 11.8 |
| Total contractors reported | 426 | 568 | 206 | 35 | 176 |
| Average number of contractors | 5.3 | 8.6 | 6.2 | 1.6 | 3.3 |
| Total volunteers reported | 4034 | 3200 | 1885 | 1241 | 4664 |
| Average number of volunteers | 50.4 | 48.5 | 57.1 | 56.4 | 88.0 |

Percentage of employees that are

| | | | | | |
|------------------------------------|-----|-----|-----|-----|-----|
| Female | 69% | 66% | 57% | 67% | 64% |
| Male | 31% | 32% | 44% | 33% | 36% |
| University Educated | 46% | 44% | 29% | 24% | 38% |
| Professionally credentialed | 37% | 28% | 21% | 16% | 18% |
| Under the age of 25 | 14% | 14% | 20% | 29% | 18% |

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|---|--------------------------------|--|---|--|--------------------------------------|
| Percentage of employees that are: | | | | | |
| 55 years of age or older | 12% | 19% | 13% | 13% | 13% |
| Hired in the past 2 years | 25% | 25% | 51% | 41% | 30% |
| Aboriginal | 2% | 1% | 3% | 8% | 3% |
| Recent immigrants who moved to Canada in the past 5 years | 4% | 2% | 3% | 2% | 3% |
| Supported with a wage subsidy from the Government of BC | 3% | 3% | 1% | 5% | 0% |
| People who face multiple barriers to employment that directly interfere with their ability to access, find and keep employment | 5% | 3% | 2% | 5% | 3% |

Percentage of employees

working in positions related to:

| | % | % | % | % | % |
|---|-----|-----|-----|-----|-----|
| Delivering services for your clients, programs or projects | 9% | 11% | 7% | 4% | 9% |
| Producing products for your clients | 20% | 17% | 16% | 7% | 20% |
| Skilled support functions | 48% | 44% | 33% | 62% | 41% |
| Managing the operation | 5% | 5% | 19% | 9% | 6% |
| Sales, marketing or fundraising | 9% | 12% | 13% | 9% | 13% |
| Semi-skilled or unskilled support functions | 9% | 9% | 3% | 2% | 10% |
| Other | 1% | 2% | 9% | 7% | 2% |

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|--|--------------------------------|--|---|--|--------------------------------------|
|--|--------------------------------|--|---|--|--------------------------------------|

Change in the number of employees

| | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|
| Less than 5 years ago | 12% | 9% | 8% | 8% | 9% |
| The same as 5 years ago | 27% | 40% | 28% | 33% | 40% |
| Higher than 5 years ago | 61% | 51% | 64% | 58% | 51% |

Expected future hiring

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Average % growth expected in employment | 15% | 48% | 20% | 11% | 14% |
|--|-----|-----|-----|-----|-----|

Positions expected to be difficult to fill (% answering very difficult)

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Managers overseeing the delivery of services, programs or projects, or the production of products | 19% | 11% | 13% | 5% | 15% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 7% | 7% | 7% | 15% | 4% |
| Sales, marketing or fundraising positions | 6% | 12% | 0% | 6% | 12% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 0% | 2% | 4% | 0% | 2% |

Future shortages (% a major reason)

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Many of the skilled workers in these positions are nearing retirement | 13% | 8% | 0% | 0% | 14% |
| Education and training relevant to this position is not available, not effective or too expensive | 12% | 11% | 11% | 18% | 32% |
| The skills and experience of the available candidates do not transfer well to our type of operation | 21% | 11% | 18% | 8% | 21% |

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|---|--------------------------------|--|---|--|--------------------------------------|
| Future shortages (% a major reason) | | | | | |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 35% | 34% | 38% | 63% | 26% |
| Workers from outside of BC have the necessary skills but have difficulty getting those skills recognized | 8% | 6% | 6% | 0% | 3% |
| There is a general shortage of workers available | 16% | 19% | 24% | 9% | 10% |
| While there are people with these skills available, it is difficult to attract them to our operation | 25% | 23% | 26% | 31% | 15% |

Strategies Against Skills Shortages

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Increase your investment in formal or external training | 28% | 28% | 19% | 8% | 23% |
| Expand the amount of internal or informal training or mentoring provided to employees | 50% | 41% | 57% | 42% | 51% |
| Increase the wages or benefits you pay to make your positions more attractive to candidates | 48% | 49% | 57% | 33% | 40% |
| Slow the rate of growth or reduce the size of your organization | 12% | 13% | 10% | 8% | 17% |
| Increase the amount of overtime worked by your employees | 6% | 5% | 5% | 8% | 6% |
| Outsource certain functions or work | 40% | 28% | 24% | 50% | 34% |
| Hire more casual workers or workers on a contract basis | 30% | 44% | 19% | 42% | 23% |
| More aggressively promote your job openings | 34% | 23% | 33% | 42% | 26% |

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|--|--------------------------------|--|---|--|--------------------------------------|
|--|--------------------------------|--|---|--|--------------------------------------|

Strategies Against Skills Shortages

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Increase your investment in equipment or technology to reduce labour requirements | 10% | 10% | 14% | 8% | 9% |
| Introduce or expand job sharing programs | 14% | 21% | 33% | 8% | 11% |
| Restructure the work | 36% | 33% | 48% | 25% | 20% |

Competitive strengths (% a major strength)

| | | | | | |
|--|-----|-----|-----|-----|-----|
| The importance of the work we perform | 90% | 89% | 93% | 72% | 91% |
| The opportunities for advancement | 9% | 10% | 7% | 12% | 21% |
| The opportunities for further professional development | 32% | 28% | 23% | 29% | 51% |
| The opportunities to interact with clients or the general public | 74% | 71% | 67% | 79% | 68% |
| The positive work environment | 89% | 81% | 90% | 89% | 85% |
| The wages and benefits relative to those offered by other employers | 12% | 18% | 13% | 24% | 19% |
| The level of job security | 20% | 17% | 20% | 12% | 21% |
| The opportunity to work part-time/seasonally or job share | 42% | 48% | 60% | 41% | 45% |

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

REGION OF OPERATIONS

| | MAINLAND/ SOUTHWEST | VANCOUVER ISLAND/ COAST | THOMPSON OKANAGAN/ KOOTENAYS | CARIBOO/ N. COAST/ NORTHEAST/ NECHAKO | ALL OF BC/ OUTSIDE BC |
|--|--------------------------------|--|---|--|--------------------------------------|
|--|--------------------------------|--|---|--|--------------------------------------|

Major Constraints to Development of Organization

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Access to capital (e.g. access to investment capital, debt financing, internally generated funds) | 68% | 56% | 59% | 76% | 53% |
| Management resources and capabilities (e.g. internal expertise or leadership to drive further development of the business operations) | 44% | 41% | 25% | 19% | 38% |
| Willingness of your organization to take on business risk | 29% | 24% | 28% | 24% | 23% |
| Difficulties in balancing a social mission with business realities | 51% | 47% | 38% | 57% | 55% |
| Your ability to recruit and retain needed managers and staff | 31% | 33% | 34% | 33% | 23% |
| Market and marketing-related issues | 41% | 35% | 38% | 29% | 49% |
| Access to government funding | 46% | 55% | 63% | 67% | 42% |
| Legal barriers or regulatory issues | 10% | 17% | 13% | 10% | 11% |

| | | | | | |
|------------|-----------|-----------|-----------|-----------|-----------|
| N = | 80 | 66 | 33 | 22 | 53 |
|------------|-----------|-----------|-----------|-----------|-----------|

Table A-2 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY REGION OF OPERATIONS

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|--|---------------------------------------|--|---|---|---|
| Self-identified as a social venture | | | | | |
| Yes | 60% | 62% | 94% | 78% | 63% |
| No | 15% | 9% | 3% | 6% | 16% |
| Don't know/unsure | 25% | 29% | 3% | 16% | 21% |

Length of operations

| | | | | | |
|--|------|------|------|------|------|
| Average (Years, based on midpoints) | 20.2 | 19.1 | 10.1 | 11.5 | 10.0 |
|--|------|------|------|------|------|

Region of operations

| | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|
| All of BC | 9% | 17% | 10% | 30% | 26% |
| Vancouver Island/Coast | 34% | 36% | 26% | 35% | 5% |
| Mainland/Southwest | 34% | 45% | 35% | 36% | 47% |
| Thompson/Okanagan | 13% | 10% | 10% | 6% | 11% |
| Kootenay | 11% | 5% | 13% | 14% | 0% |
| Cariboo | 6% | 0% | 3% | 3% | 5% |
| North Coast | 4% | 5% | 10% | 4% | 0% |
| Nechako | 4% | 0% | 3% | 0% | 0% |
| Northeast | 2% | 2% | 3% | 1% | 11% |
| Outside of BC | 2% | 10% | 10% | 20% | 16% |

Social mission

| | | | | | |
|-------------------|-----|-----|-----|-----|-----|
| % Yes | 88% | 80% | 81% | 83% | 70% |
| % Somewhat | 13% | 20% | 19% | 17% | 30% |

Table A-3: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|------------------------------------|---------------------------------------|--|---|---|---|
| Communicates social mission | | | | | |
| % Yes | 63% | 83% | 65% | 88% | 71% |
| % Somewhat | 37% | 17% | 35% | 12% | 29% |

Types of social impacts generated

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Providing systemic solutions to social issues? | 19% | 56% | 52% | 69% | 29% |
| Producing products or services considered to have an inherently positive social impact? | 83% | 62% | 94% | 66% | 82% |
| Employing a delivery model which, itself, fosters positive social impacts? | 31% | 40% | 65% | 51% | 53% |
| Providing products or services in communities or rural areas where they would not otherwise be available? | 40% | 20% | 29% | 46% | 53% |
| Allocating at least a share of your profits to a social mandate activity? | 0% | 2% | 32% | 11% | 18% |
| None of the above | 4% | 4% | 0% | 2% | 6% |

Role of social impacts

| | | | | | |
|--|-----|-----|-----|-----|-----|
| The primary reason why the organization exists | 63% | 69% | 50% | 51% | 33% |
| One of the key reasons why the organization exists | 13% | 15% | 25% | 44% | 50% |
| A positive by-product of its operations | 25% | 15% | 25% | 5% | 17% |

Revenue generation

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Average Revenue (\$ Millions) | \$0.79 | \$1.34 | \$1.18 | \$0.69 | \$0.65 |
| Average % Revenues from G&S | 64% | 72% | 90% | 79% | 78% |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|--|---------------------------------------|--|---|---|---|
| Revenue generation | | | | | |
| Average share of G&S from government contracts | 4% | 8% | 2% | 5% | 3% |

Use of employees, contractors + volunteers

| | | | | | |
|---------------------------|-----|-----|-----|-----|-----|
| Employs T4 employees | 83% | 91% | 94% | 59% | 85% |
| Employs Contractors | 71% | 66% | 50% | 64% | 50% |
| Uses volunteers regularly | 92% | 73% | 47% | 66% | 50% |

Number of employees, contractors, and volunteers (averages include organizations not reporting)

| | | | | | |
|-------------------------------|-------|------|------|------|------|
| Total employees reported | 502 | 911 | 290 | 325 | 249 |
| Average number of employees | 10.5 | 20.2 | 9.1 | 4.6 | 12.5 |
| Total contractors reported | 526 | 212 | 45 | 144 | 20 |
| Average number of contractors | 11.0 | 4.7 | 1.4 | 2.1 | 1.0 |
| Total volunteers reported | 5715 | 2013 | 1006 | 5111 | 403 |
| Average number of volunteers | 119.1 | 44.7 | 31.4 | 73.0 | 20.2 |

Percentage of employees that are

| | | | | | |
|-----------------------------|-----|-----|-----|-----|-----|
| Female | 60% | 83% | 68% | 58% | 39% |
| Male | 40% | 16% | 31% | 42% | 61% |
| University Educated | 41% | 29% | 36% | 78% | 26% |
| Professionally credentialed | 16% | 55% | 11% | 22% | 7% |
| Under the age of 25 | 32% | 10% | 25% | 8% | 25% |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|---|--|---|---|--|--|
| Percentage of employees that are: | | | | | |
| 55 years of age or older | 10% | 13% | 15% | 19% | 9% |
| Hired in the past 2 years | 42% | 20% | 41% | 31% | 51% |
| Aboriginal | 2% | 2% | 3% | 2% | 5% |
| Recent immigrants who moved to Canada in the past 5 years | 5% | 2% | 3% | 5% | 2% |
| Supported with a wage subsidy from the Government of BC | 1% | 0% | 8% | 1% | 10% |
| People who face multiple barriers to employment that directly interfere with their ability to access, find and keep employment | 0% | 2% | 10% | 2% | 19% |

Percentage of employees working in positions related to:

| | % | % | % | % | % |
|---|-----|-----|-----|-----|-----|
| Delivering services for your clients, programs or projects | 6% | 6% | 13% | 13% | 8% |
| Producing products for your clients | 10% | 14% | 35% | 16% | 26% |
| Skilled support functions | 44% | 61% | 25% | 42% | 30% |
| Managing the operation | 14% | 4% | 13% | 8% | 4% |
| Sales, marketing or fundraising | 12% | 8% | 5% | 20% | 6% |
| Semi-skilled or unskilled support functions | 9% | 5% | 9% | 1% | 25% |
| Other | 6% | 2% | 1% | 0% | 0% |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|--|---------------------------------------|--|---|---|---|
| Change in the number of employees | | | | | |
| Less than 5 years ago | 5% | 8% | 12% | 17% | 10% |
| The same as 5 years ago | 43% | 41% | 18% | 29% | 20% |
| Higher than 5 years ago | 51% | 51% | 71% | 55% | 70% |

| | | | | | |
|---|-----|----|-----|----|-----|
| Expected future hiring | | | | | |
| Average % growth expected in employment | 58% | 9% | 17% | 7% | 49% |

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Positions expected to be difficult to fill (% answering very difficult) | | | | | |
| Managers overseeing the delivery of services, programs or projects, or the production of products | 15% | 10% | 7% | 19% | 11% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 12% | 11% | 0% | 2% | 0% |
| Sales, marketing or fundraising positions | 10% | 5% | 10% | 6% | 19% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 0% | 0% | 0% | 6% | 0% |

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Future shortages (% a major reason) | | | | | |
| Many of the skilled workers in these positions are nearing retirement | 0% | 23% | 0% | 6% | 0% |
| Education and training relevant to this position is not available, not effective or too expensive | 4% | 20% | 13% | 17% | 22% |
| The skills and experience of the available candidates do not transfer well to our type of operation | 22% | 13% | 9% | 26% | 40% |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|---|--|---|---|--|--|
| Future shortages (% a major reason) | | | | | |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 53% | 36% | 32% | 25% | 50% |
| Workers from outside of BC have the necessary skills but have difficulty getting those skills recognized | 5% | 10% | 0% | 3% | 11% |
| There is a general shortage of workers available | 5% | 39% | 13% | 14% | 11% |
| While there are people with these skills available, it is difficult to attract them to our operation | 50% | 9% | 13% | 25% | 11% |

Strategies Against Skills Shortages

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Increase your investment in formal or external training | 16% | 27% | 19% | 24% | 10% |
| Expand the amount of internal or informal training or mentoring provided to employees | 40% | 53% | 57% | 44% | 70% |
| Increase the wages or benefits you pay to make your positions more attractive to candidates | 64% | 40% | 48% | 41% | 70% |
| Slow the rate of growth or reduce the size of your organization | 12% | 10% | 33% | 7% | 10% |
| Increase the amount of overtime worked by your employees | 4% | 7% | 0% | 7% | 10% |
| Outsource certain functions or work | 32% | 17% | 33% | 37% | 50% |
| Hire more casual workers or workers on a contract basis | 36% | 20% | 33% | 24% | 20% |
| More aggressively promote your job openings | 36% | 27% | 48% | 22% | 50% |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|--|---------------------------------------|--|---|---|---|
|--|---------------------------------------|--|---|---|---|

Strategies Against Skills Shortages

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Increase your investment in equipment or technology to reduce labour requirements | 20% | 0% | 19% | 10% | 0% |
| Introduce or expand job sharing programs | 24% | 17% | 29% | 12% | 0% |
| Restructure the work | 36% | 30% | 52% | 29% | 30% |

Competitive strengths (% a major strength)

| | | | | | |
|---|-----|-----|-----|-----|-----|
| The importance of the work we perform | 78% | 95% | 87% | 88% | 83% |
| The opportunities for advancement | 2% | 10% | 17% | 13% | 22% |
| The opportunities for further professional development | 17% | 33% | 27% | 44% | 39% |
| The opportunities to interact with clients or the general public | 83% | 64% | 73% | 69% | 61% |
| The positive work environment | 85% | 95% | 83% | 84% | 89% |
| The wages and benefits relative to those offered by other employers | 10% | 27% | 20% | 13% | 22% |
| The level of job security | 18% | 32% | 17% | 14% | 28% |
| The opportunity to work part-time/seasonally or job share | 46% | 33% | 50% | 47% | 50% |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

ECONOMIC SECTOR

| | ARTS, ENTERTAINMENT, RECREATION | HEALTH, SOCIAL, EDUCATIONAL SERVICES | RETAIL, ACCOMMO- DATION/FOOD SERVICE | PROFESSIONAL, TECHNICAL SERVICES, GRANT MAKING, CIVIC AND OTHER ORGANIZATIONS | MANUFACTURING, CONSTRUCTION, AGRICULTURE, FISHING, OTHER SERVICES |
|--|---------------------------------------|--|---|---|---|
|--|---------------------------------------|--|---|---|---|

Major Constraints to Development of Organization

| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Access to capital (e.g. access to investment capital, debt financing, internally generated funds) | 58% | 49% | 77% | 58% | 68% |
| Management resources and capabilities (e.g. internal expertise or leadership to drive further development of the business operations) | 27% | 33% | 47% | 42% | 37% |
| Willingness of your organization to take on business risk | 23% | 26% | 50% | 23% | 11% |
| Difficulties in balancing a social mission with business realities | 48% | 51% | 53% | 43% | 58% |
| Your ability to recruit and retain needed managers and staff | 35% | 26% | 37% | 30% | 32% |
| Market and marketing-related issues | 46% | 28% | 40% | 36% | 42% |
| Access to government funding | 60% | 58% | 50% | 51% | 21% |
| Legal barriers or regulatory issues | 8% | 12% | 13% | 17% | 11% |
| N = | 48 | 45 | 32 | 70 | 20 |

Table A-3 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY ECONOMIC SECTOR

SUMMARY OF KEY SURVEY RESPONSES

SOCIAL VENTURE STATUS ¹⁶

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Self-identified as a social venture | | | |
| Yes | 72% | 30% | 33% |
| No | 9% | 36% | 33% |
| Don't know/unsure | 19% | 34% | 34% |
| Length of operations | | | |
| Average (Years, based on midpoints) | 15.1 | 14.1 | 18.8 |
| Region of operations | | | |
| All of BC | 19% | 23% | 24% |
| Vancouver Island/Coast | 31% | 23% | 24% |
| Mainland/Southwest | 38% | 48% | 36% |
| Thompson/Okanagan | 9% | 6% | 13% |
| Kootenay | 10% | 6% | 9% |
| Cariboo | 3% | 2% | 1% |
| North Coast | 5% | 2% | 4% |
| Nechako | 1% | 2% | 4% |
| Northeast | 3% | 0% | 1% |
| Outside of BC | 12% | 21% | 8% |
| Social mission | | | |
| % Yes/ Somewhat | 100% | 67% | 69% |
| % Don't know | 0% | 6% | 4% |
| % No | 0% | 27% | 26% |

Table A-4: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

SUMMARY OF KEY SURVEY RESPONSES

SOCIAL VENTURE STATUS ¹⁶

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|------------------------------------|-----------------|-----------------------|------------|
| Communicates social mission | | | |
| % Yes | 76% | 65% | 76% |
| % Somewhat | 23% | 18% | 24% |

| Types of social impacts generated | | | |
|---|-----|-----|-----|
| Providing systemic solutions to social issues? | 48% | 29% | 31% |
| Producing products or services considered to have an inherently positive social impact? | 75% | 63% | 43% |
| Employing a delivery model which, itself, fosters positive social impacts? | 46% | 43% | 27% |
| Providing products or services in communities or rural areas where they would not otherwise be available? | 37% | 20% | 22% |
| Allocating at least a share of your profits to a social mandate activity? | 10% | 31% | 1% |
| None of the above | 3% | 0% | 31% |

| Role of social impacts | | | |
|--|-----|-----|-----|
| The primary reason why the organization exists | 14% | 78% | 50% |
| One of the key reasons why the organization exists | 33% | 15% | 25% |
| A positive by-product of its operations | 53% | 7% | 25% |

| Revenue generation | | | |
|-------------------------------|--------|-------|-------|
| Average Revenue (\$ Millions) | \$0.92 | \$1.3 | \$1.5 |
| Average % Revenues from G&S | 75% | 85% | 31% |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

SUMMARY OF KEY SURVEY RESPONSES

SOCIAL VENTURE STATUS ¹⁶

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Revenue generation | | | |
| Average share of G&S from government contracts | 5% | 23% | 1% |

Use of employees, contractors + volunteers (averages include organizations not reporting)

| | | | |
|---------------------------|-----|-----|-----|
| Employs T4 employees | 79% | 78% | 78% |
| Employs Contractors | 63% | 50% | 53% |
| Uses volunteers regularly | 69% | 22% | 75% |

Number of employees, contractors, and volunteers

| | | | |
|-------------------------------|-------|------|-------|
| Total employees reported | 2277 | 1495 | 2000 |
| Average number of employees | 10.6 | 27.7 | 24.7 |
| Total contractors reported | 947 | 380 | 1791 |
| Average number of contractors | 4.4 | 7.0 | 22.1 |
| Total volunteers reported | 14248 | 583 | 12952 |
| Average number of volunteers | 66.3 | 10.8 | 159.9 |

Percentage of employees that are

| | | | |
|-----------------------------|-----|-----|-----|
| Female | 68% | 68% | 69% |
| Male | 32% | 32% | 25% |
| University Educated | 39% | 42% | 50% |
| Professionally credentialed | 31% | 6% | 31% |
| Under the age of 25 | 18% | 22% | 10% |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Percentage of employees that are: | | | |
| 55 years of age or older | 13% | 19% | 17% |
| Hired in the past 2 years | 32% | 29% | 26% |
| Aboriginal | 3% | 5% | 4% |
| Recent immigrants who moved to Canada in the past 5 years | 3% | 21% | 7% |
| Supported with a wage subsidy from the Government of BC | 3% | 0% | 1% |
| People who face multiple barriers to employment that directly interfere with their ability to access, find and keep employment | 5% | 1% | 5% |

Percentage of employees working in positions related to:

| | % | % | % |
|--|-----|-----|-----|
| Managing the operation | 8% | 4% | 4% |
| Producing products for your clients | 17% | 14% | 11% |
| Delivering services for your clients, programs or projects | 46% | 65% | 66% |
| Sales, marketing or fundraising | 8% | 3% | 2% |
| Skilled support functions | 10% | 5% | 7% |
| Semi-skilled or unskilled support functions | 8% | 7% | 4% |
| Other | 2% | 2% | 5% |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Change in the number of employees | | | |
| Less than 5 years ago | 10% | 23% | 12% |
| The same as 5 years ago | 34% | 23% | 36% |
| Higher than 5 years ago | 56% | 54% | 52% |

Positions expected to be difficult to fill (% answering very difficult)

| | | | |
|---|-----|-----|----|
| Managers overseeing the delivery of services, programs or projects, or the production of products | 13% | 21% | 8% |
| Staff involved primarily in the delivery of services, programs, or projects or production of products | 6% | 12% | 3% |
| Sales, marketing or fundraising positions | 9% | 11% | 7% |
| Support functions (i.e. positions such as accounting, bookkeeping, finance, HR, IT, legal/paralegal, communications, planning and policy) | 2% | 7% | 2% |

Future shortages (% a major reason)

| | | | |
|---|-----|-----|-----|
| Many of the skilled workers in these positions are nearing retirement | 7% | 12% | 10% |
| Education and training relevant to this position is not available, not effective or too expensive | 15% | 12% | 7% |
| The skills and experience of the available candidates do not transfer well to our type of operation | 20% | 9% | 21% |
| Potential workers are not interested in filling these positions because the compensation is lower than for other types of positions | 30% | 29% | 38% |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Future shortages (% a major reason) | | | |
| Workers from outside of BC have the necessary skills but have difficulty getting those skills recognized | 5% | 3% | 10% |
| There is a general shortage of workers available | 18% | 15% | 14% |
| While there are people with these skills available, it is difficult to attract them to our operation | 24% | 18% | 21% |

Strategies Against Skills Shortages

| | | | |
|---|-----|-----|-----|
| Increase your investment in formal or external training | 21% | 38% | 25% |
| Expand the amount of internal or informal training or mentoring provided to employees | 50% | 76% | 55% |
| Increase the wages or benefits you pay to make your positions more attractive to candidates | 49% | 47% | 28% |
| Slow the rate of growth or reduce the size of your organization | 13% | 12% | 10% |
| Increase the amount of overtime worked by your employees | 6% | 0% | 3% |
| Outsource certain functions or work | 31% | 41% | 15% |
| Hire more casual workers or workers on a contract basis | 27% | 32% | 13% |
| More aggressively promote your job openings | 32% | 38% | 28% |
| Increase your investment in equipment or technology to reduce labour requirements | 10% | 32% | 8% |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

SUMMARY OF KEY SURVEY RESPONSES

SOCIAL VENTURE STATUS²⁴

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Strategies Against Skills Shortages | | | |
| Introduce or expand job sharing programs | 17% | 6% | 10% |
| Restructure the work | 35% | 29% | 50% |

Competitive strengths (% a major strength)

| | | | |
|---|-----|-----|-----|
| The importance of the work we perform | 87% | 60% | 84% |
| The opportunities for advancement | 11% | 19% | 9% |
| The opportunities for further professional development | 32% | 27% | 9% |
| The opportunities to interact with clients or the general public | 71% | 48% | 62% |
| The positive work environment | 86% | 77% | 74% |
| The wages and benefits relative to those offered by other employers | 17% | 25% | 16% |
| The level of job security | 20% | 23% | 26% |
| The opportunity to work part-time/seasonally or job share | 44% | 48% | 41% |

Major Constraints to Development of Organization

| | | | |
|---|-----|-----|-----|
| Access to capital (e.g. access to investment capital, debt financing, internally generated funds) | 60% | 48% | 56% |
| Management resources and capabilities (e.g. internal expertise or leadership to drive further development of the business operations) | 37% | 33% | 29% |
| Willingness of your organization to take on business risk | 26% | 19% | 21% |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

| | SOCIAL VENTURES | PERIPHERAL OPERATIONS | ALL OTHERS |
|--|-----------------|-----------------------|------------|
| Major Constraints to Development of Organization | | | |
| Difficulties in balancing a social mission with business realities | 49% | 35% | 36% |
| Your ability to recruit and retain needed managers and staff | 32% | 35% | 24% |
| Market and marketing-related issues | 38% | 48% | 32% |
| Access to government funding | 52% | 31% | 58% |
| Legal barriers or regulatory issues | 13% | 15% | 12% |
| N = | 215 | 54 | 81 |

Table A-4 CONT'D: CROSS TABULATIONS OF SURVEY RESULTS BY STUDY INCLUSION STATUS

16. This table is divided based on the classification of surveyed organizations with the criteria found in Appendix II of this report. “Social Ventures” includes organizations in the 9 sub-groups that are considered part of the social venture sector by this study. “Peripheral Organizations” are organizations in remaining 4 sub-groups that are defined by the study but are not considered part of the social venture sector in this study. “Others” are organizations that did not satisfy the criteria for any of the 13 subgroups defined by this study (i.e. neither social ventures nor peripheral organizations).



APPENDIX 2

CLASSIFICATION CRITERIA FOR SOCIAL VENTURES

BROAD DEFINITION OF A SOCIAL VENTURE

Rather than adopting a fixed definition for social ventures, the Advisory Committee supported a proposed approach of surveying a broad cross-section of organizations. The survey included a series of questions linked to potential criteria for defining social ventures. The results of the survey could then be used, in association with secondary data, to categorize organizations as either social ventures or not, and, among the social ventures, which sub-group they fall within.

OPERATING DEFINITION

The operating definition used for social ventures is:

Social ventures are organizations (including for-profit non-profit organizations, cooperatives and Community Contribution Companies) that undertake business activities (i.e. generate revenues from the sales of products or services) which contribute towards achievement of a social, environmental, or cultural mission, purpose or benefit that is integral to the organization's existence.

The target population of organizations for the survey included representatives from each type of legal structure including incorporated businesses, partnerships and sole proprietorships, co-ops, C3s, registered charities, and other non-profits. It was clear from the outset that not all of organizations within each structure would be considered social ventures/ social enterprises. The challenge was in deciding how and where to draw the line: for example, how much of an emphasis on “social” impact does a business need to have to be considered a social venture and how business-like must a non-profit be to be considered a social venture.

POTENTIAL CRITERIA FOR DEFINING SOCIAL VENTURES

A series of potential criteria for defining social ventures were identified through the literature review, preliminary interviews with key informants, and input provided the Advisory Committee. These criteria, which could be applied individually or in concert with others, relate to revenues, reinvestment of profits, objectives or mission, ownership structure and social impact of operations.

| PARAMETER | CRITERIA TO CONSIDER IN DEVINING A SOCIAL VENTURE |
|------------------------------------|--|
| Legal Structure | A stand-alone operation which can be structured as a non-profit, a C3, a co-op, or a business (incorporated or not). |
| Revenues | Operating as a business venture (e.g. at least 25% or 50% of the organization's revenues are generated from the sale of goods and services) and whether those revenues are broadly based or generated primarily through government contracts. |
| Profit Reinvestment | Allocating at least a share of their profits to a social mandate activity (e.g. at least 5%, 10%, 25% or 50% of profits are donated or invested in a social mandate activity rather than distributed to owners or shareholders). |
| Mission | Pursuing a social objective, mission or mandate (e.g. social, cultural or environmental) as its primary focus and whether the social objectives, mission or mandate are proactively communicated to customers. |
| Ownership | Operating as a business, which is owned by a non-profit, Aboriginal controlled, family controlled, privately owned or publicly owned. |
| Social Impact of Operations | <p>Generating social impacts that are real and are measurable by:</p> <ul style="list-style-type: none"> ▶ Providing systemic solutions to social issues (e.g. poverty, inequality, education, the environment, and economic development) ▶ Producing certain types of products (e.g. environmental products, organic foods) or services (e.g. housing, arts, education and training, retail/thrift shop, food services/catering, and arts) considered to have an inherently positive social impact ▶ Employing a delivery model which, itself, fosters positive social impacts (e.g. employs under-represented groups, offers opportunities for subsidized employment, employs fair or ethical business practices, and operates in a transparent and responsible manner) ▶ Providing products or services in communities or rural areas where they would not otherwise be available |

TABLE A-5: CRITERIA FOR DEFINING SOCIAL VENTURES

The Advisory Committee suggested that certain types of organizations should not be classified as social ventures. For example, it was suggested that non-profits should not be considered a social venture if they do not generate at least 25% of their revenues from the sales of goods and services. Similarly, it was suggested that businesses that do not reinvest a significant percentage of their profits in a social mandate activity should not be included unless they undertake activities that, themselves, have a significant social impact. In addition, it was suggested that business and non-profits that rely on government contracts for most of their revenues may not be true social ventures and therefore might not be included. Prior to surveying the organizations we identified 13 groups for which organizations could be classified as based on key criteria.

A description of each group is provided below:

Social enterprises.

For the purposes of this study, social enterprises have been defined as non-profit organizations that generate at least 50% of their revenues from the sales of goods and services, are not directly reliant on government contracts for that revenue, and have a social objective, mission or mandate that is proactively communicated to its customers.

Non-profit enterprises.

Non-profit enterprises are similar to but fall short of being social enterprises because they either do not meet the criteria of generating at least 50% of their revenues from the sales of goods and services (they must generate at least 25% to be included) or they do not proactively communicate their social objectives, mission or mandate to customers and other stakeholders.

Non-profit contractors.

Non-profit contractors are non-profit organizations, which have a social mission and generate at least 50% of their revenues from the sales of goods and services but are heavily reliant for that revenue on government contracts. They are not classified as social ventures for the purpose of this study.

C3s.

C3s are organizations that have been registered as a Community Contribution Company, which was created to enable entrepreneurs to pursue social goals while generating profits for community purposes and creating opportunities for investors.

Social Venture Coops.

Social Venture Coops are cooperatives that have a social objective, mission or mandate (e.g. social, cultural or environmental) that is proactively communicated to its customers.

Social Impact Coops.

Social Impact Coops are cooperatives that do not have a formal social objective, mission or mandate (e.g. social, cultural or environmental) that is proactively communicated to customers but do generate social impacts (by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available). They are not classified as social ventures for the purpose of this study.

Social Enterprise (Business) of a Non-profit.

The social enterprise (business) is owned by a non-profit organization and has a social mission.

Business Social Venture.

Business Social Ventures are businesses that have social objectives, mission and/or mandate that are communicated to customers or others and reinvest at least 50% of its profits in a social mandate activity (rather than distributing those profits to owners or shareholders).

Social Purpose Business.

Social Purpose Businesses are businesses that fall short of being a Business Social Venture (e.g. less than 50% of profits are reinvested) but have a social mission, mandate and social objectives that is their primary reason for being.

Social Impact Business.

Social Impact Business are businesses that do not have a social mission, mandate or social objectives as their primary reason for being but do generate significant social impacts (e.g. by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available). They are not classified as social ventures for the purpose of this study.

Aboriginal Social Venture.

Aboriginal Social Ventures are Aboriginal certified business ventures that have social objectives, missions and/or mandates.

Aboriginal Social Purpose Business.

Aboriginal Social Impact Businesses are Aboriginal certified business ventures that generate significant social impacts (e.g. by providing systemic solutions to social issues, producing certain types of products or services considered to have an inherently positive social impact, employing a delivery model which, itself, fosters positive social impacts, or providing products or services in communities or rural areas where they would not otherwise be available).

Aboriginal Government Contractor.

Aboriginal Government Contractors are Aboriginal certified ventures that generate at least 25% of their revenues from the sales of goods and services but are heavily reliant for that revenue on contracts with government including Aboriginal government organizations. They are not classified as social ventures for the purpose of this study.

Table A-6 on the following page illustrates the relationship between the criteria and these groups.

| Group | Ownership Structure | | | | Revenues | | | Profit Reinvestment | | | | | Mission | | | Ownership | | | | | Social Impact | | | | |
|--|---------------------|----|------|-----|----------|-----|-----|---------------------|-----|-----|----|-----|---------|----|----|-----------|------|-----|----|----|---------------|----|---|--|--|
| | NP/RC | C3 | COOP | BUS | 50% | 25% | NGC | 50% | 25% | 10% | 5% | SOC | COMM | NP | AB | FC | Priv | Pub | SS | PS | DM | Ru | | | |
| Non-profit social ventures | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Enterprise | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Non-profit Enterprise | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Non-profit Contractor | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Community Contribution Companies | | | | | | | | | | | | | | | | | | | | | | | | | |
| C3 | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Cooperatives | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Venture Coop | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Social Impact Coop | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aboriginal Controlled Organizations | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aboriginal Social Venture | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Aboriginal Social Purpose Business | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aboriginal Government Contractor | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Businesses | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Arm of a Non-Profit | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Business Social Venture | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Social Purpose Business | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |
| Social Impact Business | | | | | | | | | | | | | | | | | | | | A | A | A | A | | |

| | | | | |
|--|--------------|--|-------------|---|
| | NP/RC | Non-profit or registered charity | Soc | Has an explicit social objective, mandate or mission |
| | C3 | Community Contribution Company | Comm | Proactively communicates that to customers/others |
| Required | Coop | Cooperative | NP | Owned by a non-profit |
| | Bus | Business (including incorporated companies, sole proprietorships, and registered, limited and non-registered partnerships) | AB | At least 51% owned by Aboriginal person(s) or band (e.g. through a limited partnership) |
| One or more in that category required | 50% | At least 50% of revenues generated from the sales of goods and services | FC | At least 51% controlled by members of a family |
| | 25% | At least 25% of revenues generated from the sales of goods and services | Priv | Privately owned |
| | NGC | Goods and services revenues are not heavily reliant on government contracts | Pub | Publicly traded company |
| A | 50% | At least 50% of profits are invested into a social mandate activity | SS | Provides systemic solutions to social issues |
| | 25% | 25% - 49% of profits are invested into a social mandate activity | PS | Produces socially beneficial products or services |
| Not required but will be asked | 10% | 10% - 24% of profits are reinvested into a social mandate activity | DM | Fosters positive social impacts through its delivery model |
| | 5% | 5% - 9% of profits are reinvested into a social mandate activity | Ru | Provides goods and services in a rural area that would not otherwise be available |

TABLE A-6: TYPES OF ORGANIZATIONS THAT COULD BE INCLUDED IN THE DEFINITION OF SOCIAL VENTURES