



COMMUNITY
FOUNDATIONS
OF CANADA



Investment
Readiness
Program

Transforming community futures through social finance

Investment Readiness Program



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What is Social Finance?

A historic, picturesque island, Prince Edward County is a tourism hotspot. Despite this, the island is facing several challenges, from housing to food security to health care – just like communities all across the country.

[A third of the Prince Edward County population](#) cannot afford current rental housing at 0.4% vacancy. Meanwhile, [almost one in four households](#) in Hastings and Prince Edward Counties have inadequate or insecure access to food.

While local social purpose organizations work hard to tackle these issues, unstable grant funding makes it much harder to keep the lights on and support the community's most vulnerable populations.



“Social finance is the best of both worlds. You don't need to generate wealth by polluting, by underpaying employees – you can actually make this world a better place and earn a little bit of money while doing it.”

Dominique Jones
Executive Director,
The County Foundation

Recognizing the growing need for support, three community foundations – [The County Foundation](#), [Barrie Community Foundation](#) and [Muskoka Community Foundation](#) – joined forces to distribute funding through the [Investment Readiness Program](#) (IRP).

A \$50-million national initiative funded by the Government of Canada, IRP is designed to prepare social purpose organizations to enter Canada's social finance markets, and contribute to solving pressing social, cultural, and environmental challenges from coast to coast.

The three community foundations applied to become IRP regional partners through Community Foundations of Canada, using IRP to support their community by amplifying the impact of social purpose organizations like [Muskoka Community Land Trust](#), which is acquiring and stewarding lands to provide affordable housing solutions to Muskokans.

Definitions

Social finance is an investment into a business or organization that has a positive social, cultural or environmental impact that also generates some return for investors. Through loans and investments, social finance can give new actors the opportunity to make a difference.

Social purpose organizations are key to helping communities across the country tackle some of our biggest challenges, from affordable housing to food insecurity to healthcare and more. Social finance can give businesses social purpose.

What is the Investment Readiness Program?

Between 2022 to 2023, Community Foundations of Canada administered \$17.5 million in IRP funding to social purpose organizations through 48 community foundations, helping nonprofits, charities and businesses prepare for financial investments.

Projects that received funding tackled challenges from housing and healthcare to digital literacy, youth employment and beyond.

Through IRP, Community Foundations of Canada aimed to:



Share knowledge about the country's social finance markets



Work with Regional Partners to direct funds to various social purpose organizations from coast to coast to coast



Create opportunities in social finance for historically-underrepresented communities, including Black, Indigenous and Northern-led organizations

How the Investment Readiness Program works

IRP offered funding for activities like business planning and market research, as well as access to education and mentorship through its Learning Cohorts.

IRP supported five stages of social enterprise development:

1

IDEA

Primarily thinking and brainstorming of multiple scenarios

2

CONCEPT

Articulation of concrete plans continuously being further developed and refined

3

LAUNCH

Formalization and start-up implementation to bring concept to fruition

4

GROWTH

Growing operations and scaling the impact

5

ESTABLISHED

Mature operation with deep/broad impact

Investment Readiness Program - By The Numbers

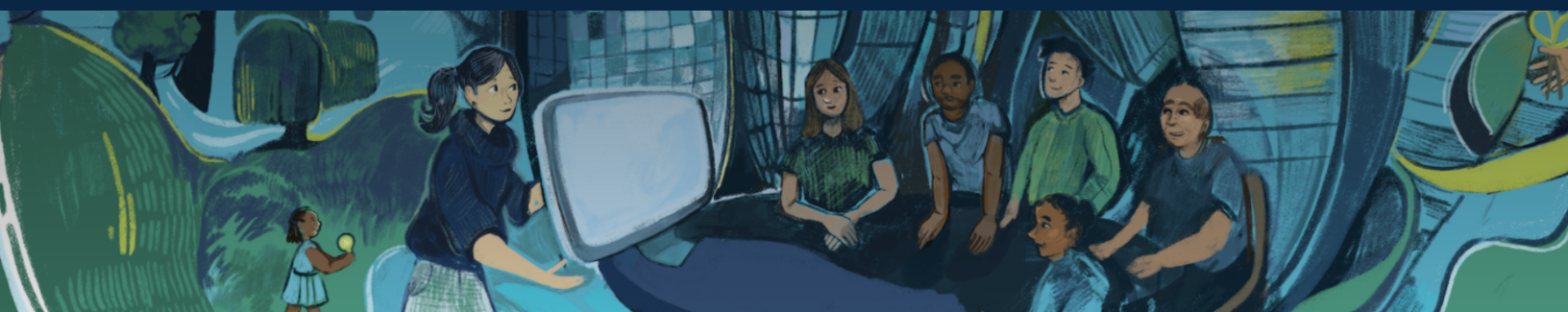
Social purpose organizations were asked to assess what stage their social enterprise was at both before and after their IRP projects were implemented.

~80% of organizations that were at the 'Idea' stage advanced forward most significantly.

Plus, social purpose organizations that participated in previous rounds of the IRP were more likely to have projects at the Growth and the Established stages in future rounds of funding. This suggests that organizations that received support during the first IRP were able to return with more advanced projects for the second IRP, and take their enterprises to new stages.

In addition, a comparison of self-assessments pre- and post-IRP shows that 55% of social purpose organizations advanced their business model or business plan during the project, indicating a real need being fulfilled by IRP.

Progress of social purpose organizations was tracked through the 'Investment Readiness Continuum'. You can learn more about the Investment Readiness Continuum [here](#).



By the end of their IRP journey:

75%

of social purpose organizations reported they were ready or would be ready to take on investment within the next year.

93%

of social purpose organizations funded reported that IRP helped their organization learn how to improve their investment readiness.

95.5%

of funded organizations reported learning more about the social finance ecosystem through IRP.

Community Foundations in Action

Going back to the Muskoka Community Land Trust – funded by The County Foundation, Barrie Community Foundation and Muskoka Community Foundation – the organization received an offer of land from the municipality of Huntsville, with plans to build a net-zero, 179-unit building, including room for commercial community space.

Muskoka Community Land Trust used the IRP funding to create a business plan for the development. “We had all the ingredients,” says Sandi Martin, Executive Director of the land trust. “We really needed to be able to demonstrate our feasibility [to Huntsville], so that we could get to the next stages of funding.”



[Photo Source](#)

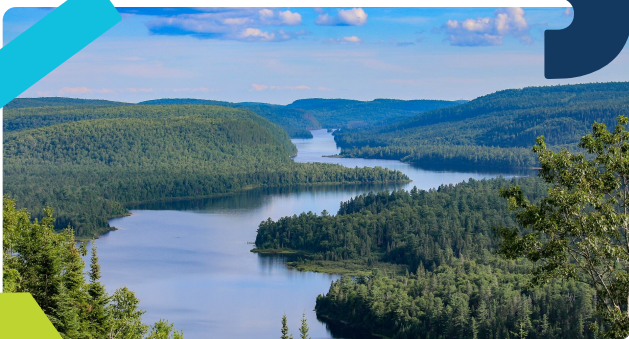


[Photo Source](#)

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Executive Director of the land trust

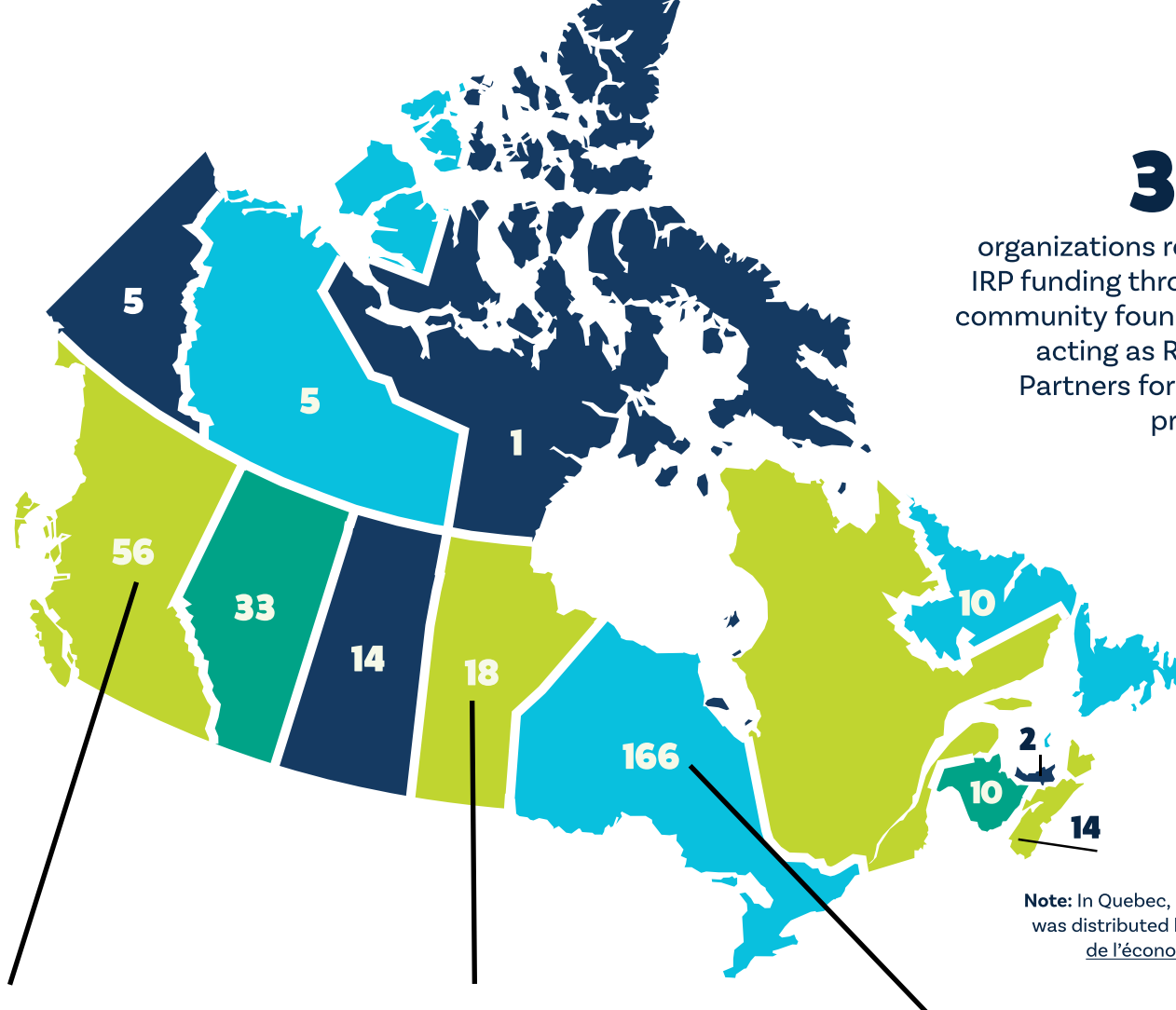


[Photo Source](#)

Muskoka Community Land Trust was one of eight organizations that received funding from The County Foundation, Barrie Community Foundation and Muskoka Community Foundation; in total, the three community foundations distributed \$470,400 in IRP funding throughout Central Ontario.

334

organizations received
IRP funding through 48
community foundations
acting as Regional
Partners for the IRP
program.



Note: In Quebec, IRP funding was distributed by Chantier de l'économie sociale

British Columbia



What happened when digital farmers' market, Cow-Op, became a \$1 million op during COVID-19

Manitoba



Manitoba's BUILD Inc. combines construction with social impact, creating jobs for Winnipeg

Ontario



Hello Hair is helping young Black girls love their natural hair



"The IRP is much more than a simple funding program. Building a resilient sector of charities, nonprofits and socially responsible businesses through access to repayable capital might seem like a large concept to grasp – however, the level of enthusiasm and engagement from so many different social purpose organizations has proven that local community organizations are keen to delve in, learn more and create positive impact."

Michèle Bridger

Director, Strategic Initiatives at Community Foundations of Canada

The Big Picture

Community Foundations of Canada works by administering funding directly to community foundations across the country. From there, local community foundations can distribute the funds as they see fit, meeting the unique needs of their own population and driving meaningful change.

This model ensures that all funding is allocated through a ‘nothing about us without us’ lens – and the IRP funding was no different.

Between 2022 to 2023, a diversity of communities were served through IRP-funded projects, including:



A large majority of the IRP-funded projects were designed in consultation with communities, in order to meet the real needs of that community, as well as generate revenue for investors.

Social purpose organizations described their community engagement approaches as centering:

- Lived experience
- Cultural preservation
- Inclusion and accessibility
- Community consultation and community ownership

By creating local solutions to local challenges, social purpose organizations are transforming their communities for the better – and by achieving long-term financial sustainability through investments, organizations are also securing their own futures.

It's a **win-win** all around.

DEFINITION

‘Nothing about us without us’ is the idea that no policy should be created without the involvement of the groups affected by that policy. Thank you to Jess Bolduc, founder of 4Rs, for introducing us to this vital concept in building belonging.

Community Foundations of Canada partnered with [Foundation for Black Communities](#) to ensure its mission remained central to IRP.

What We Learned

Through its program evaluations, Community Foundations of Canada also found that there is an ongoing need for social purpose organizations to continue learning about social finance, with many organizations wishing that there were resources available beyond IRP. This is especially important in order for organizations to be able to access the Government of Canada's [Social Finance Fund](#): a \$755 million initiative, seeking to accelerate the growth of Canada's social finance market.

Social purpose organizations like Muskoka Community Land Trust are at the heart of communities from coast to coast to coast, transforming our country for the better. By bolstering Canada's social finance markets, organizations like theirs can access the resources they need to amplify their impact even further.

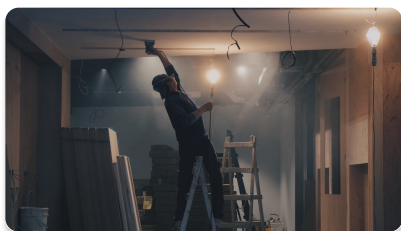
In evaluating the 2022-2023 IRP, Community Foundations of Canada found that business plan development was the most popular type of activity for which social purpose organizations planned to use their IRP funding:



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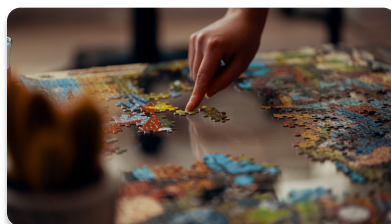
Looking ahead, Community Foundations of Canada hopes to see continued opportunities for social purpose organizations to learn about social finance and create connections with investors. It also hopes to see the continued support of applications from diverse social purpose organizations, especially BIPOC and Northern-led organizations.

See more impact through our blogs



IRP Stories

[Transforming 310 Acres for the African Nova Scotian Community and Beyond >](#)



IRP Stories

[Heart Linked Launches Social Enterprise, Empowering Young Girls' Leadership in Northern Saskatchewan >](#)



IRP Stories

[Afro Caribbean Business Network Foundation's New Social Enterprise Supports Black Entrepreneurs, Building Wealth >](#)



Community Foundations of Canada visiting Ontario IRP partners

"I hope the social purpose organizations funded by the program continue to **explore innovative ways of building impact by focusing on social finance**, and being less reliant on the ebbs and flows of grants and fundraising campaigns. With so much movement in the Canadian social finance markets right now, **we need to ensure these organizations access the capital they need to keep doing their fantastic work, and to grow and build resilience in turbulent times.**"

Michèle Bridger

Director, Strategic Initiatives,
Community Foundations of Canada

The Future of Social Impact

Looking to the future of social finance, Dominique Jones, Executive Director of the The County Foundation says, “This is something that we need to invest in. There is a real way forward that's positive for both nonprofit and for-profit ventures.”

She adds that social finance-driven solutions applied to one community can be adapted for other communities from coast to coast to coast. “We need to see positive social projects to say, ‘hey, this is working in a small community up North, I think it can work here’ – and likewise, maybe we can inspire others. I think that’s often the beacon of hope.”

Iterating on its IRP-funded business plan, Muskoka Community Land Trust is now seeking \$2 million in investments to finalize construction financing with its partners.

Executive Director Sandi Martin says that, within the nonprofit sector, there can be a misconception that “social finance is scary – it's just money stuff and I don't like that.’ Unfortunately, money is a big part of it.”

In reality, Martin says, “social finance has the ability to pull our focus towards what the actual, ultimate benefits [of a project] are for the people who will benefit from it. It’s not just the bottom line – and that’s the potential and the power of social finance.”

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Sandi Martin,
Executive Director,
Muskoka Community Land Trust





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