

2018 – 6 Enabling Social Finance in Manitoba

Mover: SEED Winnipeg

Whereas: The Winnipeg Social Finance Working Group (WSFWG) has been gathering since 2016 to identify gaps, challenges and opportunities in the financing ecosystem for the social economy, including non-profits, cooperatives and social enterprises. Its membership is comprised of the Aboriginal Council of Winnipeg, Assiniboine Credit Union, the Canadian CED Network Manitoba, the Jubilee Fund, Local Investment Toward Employment, the Manitoba Cooperative Association, SEED Winnipeg, the United Way Winnipeg, The Winnipeg Foundation and the University of Winnipeg Community Renewal Corporation.

Whereas: There are more than 400 cooperatives, credit unions, and caisses populaires in Manitoba, comprising of over 900,000 memberships and more than \$22 billion in assets. Cooperatives are a more sustainable business model given their collective ownership and community commitment; 62% of new co-ops are still operating after five years, compared with 35% for other new businesses. After 10 years, the figures are 44% and 20% respectively.

Whereas: In 2013, social enterprises in Manitoba earned at least \$63.6 million in revenues, including \$43.9 million in sales of goods and services. Social enterprises provided employment for at least 4,450 workers, who earned more than \$34.4 million in wages and salaries.

Whereas: The Province of Manitoba is engaged in social finance through the Community Enterprise Development Tax Credit, operating subsidies for community finance organizations, as well as a commitment to implement Social Impact Bonds.

Whereas: The Cooperative Loans and Loan Guarantee Board and the Neighbourhoods Alive! Tax Credit are no longer available, which has created an additional gap in financing options for the social economy.

Whereas: Due to differences in structure and ownership, cooperatives, non-profits and social enterprises have particular challenges that are not well addressed by the existing mainstream financial sector.

Whereas: Access to the appropriate capital and financing is essential to the sustainability and success of any organization. Social enterprises and non-profit organizations may need support navigating and stacking financing and grant programs to launch or expand their operations.

Whereas: There is both opportunity and risk for all parties involved in financing, however this is not always fairly distributed throughout the relationship.

Whereas: The Province of Manitoba can play a role as a market enabler and developer, and can co-design policy and models with community stakeholders to ensure investments and policy target strategic priorities and provide for a fair sharing of risk and return.

Whereas: As of October 2017, the Province of Manitoba was conducting a review of existing tax credits as a part of its Access to Capital Strategy.

Whereas: In Budget 2017/18, the Province of Manitoba highlighted “Front-Line Services Through Innovative Partnerships”, acknowledging a continued commitment to social enterprise and social procurement.

Whereas: The Province of Manitoba has committed to implementing Social Impact Bonds, a financing tool to use non-government sources of capital to invest in preventive interventions that provide savings to government.