

# Profile of Community Economic Development in Ontario

Results of a Survey of  
Community Economic  
Development Across Ontario

January 2008

*Elizabeth McBain and Matthew  
Thompson*



The Canadian **CED** Network

Le Réseau canadien de **DÉC**

Strengthening Canada's Communities

Des communautés plus fortes au Canada

## **Acknowledgements and Thanks**

Funding for this project came from the Ontario Trillium Foundation on a grant that established the Ontario CED Collaborative (OnCEDCo), a multi-year project with the Canadian Community Economic Development Network's (CCEDNet) Ontario Region, the Community Economic Development Technical Assistance Program (CEDTAP), and the Ontario Co-operative Association (OnCo-op). Additional support was also provided through Industry Canada/FedNor. CCEDNet is also funded by the J. W. McConnell Family Foundation and the Muttart Foundation.

We would like to thank all those practitioners and organizations who participated in our survey and the staff and volunteers who provided the direction for this project. We invite everyone to provide feedback on this report and on our other initiatives to strengthen the CED sector in Ontario.

The Research Team

Paul Chamberlain  
Elizabeth McBain  
Abraham Tounkara  
Matthew Thompson

We like to make a special acknowledgement to the Ontario Trillium Foundation for their generous support.



# **The Canadian Community Economic Development Network – Ontario Region**

The Canadian CED Network (CCEDNet) is a national non-profit organization and registered charity made up of several hundred member organizations and practitioners committed to supporting community economic development (CED). Currently the Ontario Region of CCEDNet is comprised of over 140 members. CCEDNet Ontario's mission is to:

- Bring a provincial focus to the CED agenda
- Expand the scale and effectiveness of CED in Ontario
- Share information and learning
- Build capacity and skills related to CED

The Ontario Region of CCEDNet can be contacted through the national website at [www.ccednet-rcdec.ca](http://www.ccednet-rcdec.ca), or at the following office:

116 Industry St. (C/O the Learning Enrichment Foundation)  
Toronto, ON M6M 4L8  
Tel. 416-760-2554  
Fax 416-769-9912  
[atounkara@ccednet-rcdec.ca](mailto:atounkara@ccednet-rcdec.ca)

# **Table of Contents**

List of Figures .....	5
List of Tables.....	6
<b>Executive Summary.....</b>	<b>7</b>
<b>1. Introduction .....</b>	<b>8</b>
1.1 Understanding the Sector.....	8
1.2 Research Objectives.....	9
1.3 Research Outcomes .....	9
1.4 Research Methodology .....	9
<b>2. Nature of the CED Sector .....</b>	<b>12</b>
2.1 Geographic Distribution.....	12
2.2 Urban/Rural Distribution.....	12
2.3 Incorporation Type.....	13
2.4 Age of CED Organizations .....	13
2.5 Activities of CED Organizations .....	14
2.6 Type of Groups Involved in CED .....	14
<b>3. Size of the CED Sector .....</b>	<b>16</b>
3.1 Staff and Volunteers of CED Organizations .....	16
3.2 Revenue Size and Revenue Source .....	17
<b>4. Barriers .....</b>	<b>19</b>
4.1 Funding and Access to Capital .....	19
4.2 Government Support .....	20
4.3 Community Knowledge and Understanding of CED.....	20
4.4 Community Support .....	21
4.5 Human Resources .....	21
4.6 Organizational Design and Vision .....	22
4.7 Other.....	22
4.8 Barriers identified at Regional Workshops.....	23
4.9 Comparison of the Results of the Workshops and the Survey .....	23
<b>5. Outcomes .....</b>	<b>24</b>
<b>6. Policy Priorities .....</b>	<b>26</b>
<b>7. Conclusion.....</b>	<b>27</b>
<b>8. Appendix A: The Survey.....</b>	<b>28</b>

## **List of Figures**

Figure 1: Geography of CED in Ontario

Figure 2: Legal Structure of CED Organizations

Figure 3: Age of CED Organizations

Figure 4: Type of CED Activity

Figure 5: CED Beneficiaries & Clients

Figure 6: Size of CED Organizations

Figure 7: Average # of Workers – Regional Distribution

Figure 8: Average # of Workers – Urban/Rural Distribution

Figure 9: Sources of Revenue

Figure 10: Barriers to CED Activity

## **List of Tables**

Table 1: Urban/Rural Distribution of Survey Respondents by Region

Table 2: Percentage of FTE Employees

Table 3: Average Governmental Funding per Organization with Government Funding

Table 4: Percentage of Organizations with Governmental Funding with Other Sources of Revenue

Table 5: Percentage of Respondents Who Identified Policy as Important

## **Executive Summary**

This report is the result of a recent survey of 56 community economic development (CED) organizations undertaken by the Canadian Community Economic Development Network's (CCEDNet) Ontario Region. This project signifies an important movement towards better understanding and developing the sector in Ontario, drawing upon the framework of a national report with a similar focus that was published in 2003. Though the report is not a comprehensive study it serves as a solid sample of CED in the province. We have reviewed and organized the research to present it in an accessible and useable form.

The sector was explored in three principal themes: the nature, size, and lessons. The nature of CED establishes a typology for CED organizations (CEDOs), their distribution and maturity, enumerates their activities, and identifies proven practices and barriers to growth. The size of the sector is quantified in terms of employees and volunteers, as well as size of budget and revenue sources. Lessons learned about the sector are revealed through comments from CEDOs about barriers hindering success and outcomes of CED in their community.

The respondents were very diverse. They included small and large operations; were incorporated as public, private, and civil agencies; and were located in both rural and urban communities. Common to all respondents was an understanding of community economic development as *local action and strategies creating economic opportunities and enhancing social conditions in an inclusive and sustainable manner*.

Outcomes of this research include an updated research database that can be used for additional research, an updated searchable online directory of CEDOs in Ontario, and a report describing the CED sector in Ontario.

The basic objectives of CEDOs included in this profile include:

- Empower people to use their local knowledge to develop grassroots community based solutions.
- Improve the conditions of communities in an inclusive manner, particularly focussed on the most disadvantaged communities.
- Increase locally owned and controlled assets in a sustainable manner for collective benefit.
- Holistically account for the triple bottom line (social, economic, and environmental factors)

# **1. Introduction**

## **1.1 Understanding the Sector**

Many people are still unaware of the presence of CED in the province and are very confused by what it represents. A large step towards understanding CED is being able to navigate its terminology. Here are three terms that are very important in starting to make sense of this sector.

### **Community Economic Development (CED):**

CED is local action to create economic opportunities and better social conditions, particularly for those who are most disadvantaged. CED is an approach that recognizes that economic, environmental, and social challenges are interdependent, complex, and ever-changing and that effective solutions are rooted in local knowledge and led by community members. CED promotes holistic responses addressing problems at individual, community, and regional levels, recognizing that these levels are all interconnected.

### **Social Enterprise:**

Business ventures operated by non-profits and co-operatives with the provision of needed public services or goods as the primary objective. Social enterprises generate an income with the product of service they provide while meeting social, environmental, and/or cultural goals. Profits are reinvested into the organization or community rather than distributed among shareholders and owners. Often, non-profits will operate social enterprises to ensure their own financial sustainability while providing goods and services in environmentally sustainable ways, providing job opportunities, and assisting people with the transition into mainstream employment. Social enterprise is a diverse, multi-faceted tool in CED and can be very effective at increasing community control of assets, the labour market, service delivery, and available goods.<sup>1</sup>

### **Social Economy:**

Made up of non-profit and co-operative organizations that provide enterprises, assets, and services purposefully created for the collective benefit of their communities. The emphasis is on public good and community benefit controlled by an association of people rather than by government or private sector interests. Building the social economy creates social and economic outcomes that reduce poverty and social exclusion and build fairer, more sustainable local economies. Social economy is also sometimes referred to as the third sector or the voluntary sector. Because voluntary organizations are not always actively involved in CED we have made a distinction between CEDOs and other voluntary organizations.

---

<sup>1</sup> Developed from the Summary of Community Development and Community Economic Development in Winnipeg



## **1.2 Community Economic Development in Ontario**

Community groups across Ontario have been developing innovative solutions to economic, social, and environmental challenges and, in many ways, sooner and more conscientiously than the private and public sector. Community members have come together to form non-profit organizations and co-operatives to develop new ways of overcoming socio-economic barriers and reclaiming ownership of their communities. These communities are making a difference in their own lives through an approach called community economic development (CED).

In Ontario, CED activity appears to be largely focussed on poverty reduction and improving conditions for new immigrants and those with barriers to employment. Citizens considered “at risk” are now finding hope in new training and skill development programs and social enterprises.

CEDOs are not always easy to find in Ontario. Not all organizations identify their activity as CED, not all organizations have a website let alone internet accessibility, and many organizations and communities (particularly in the North) still experience great isolation from the rest of Ontario. We estimate there to be approximately 2,000 organizations involved in CED currently in Ontario, although we acknowledge that a truly complete picture of CED has yet to be illustrated.

## **1.3 Research Objectives**

Those involved in the social economy in Ontario have recognized the need for increasing collaboration so that they can learn from each other, support each other, and unite their voices to reduce poverty, increase social inclusion, and build stronger sustainable and equitable local economies. Developing a better understanding of CED in Ontario will help the process of making connections and increasing collaboration by outlining who is involved in the social economy, where they are, and what they are doing.

The immediate purpose of this research is to create a profile of the CED sector in Ontario. An added outcome is the complete update and expansion of CCEDNet’s online directory of CEDOs and practitioners for the Ontario region. The profile report provides an outline, based on elementary information, about the scope and scale of CED activity within the province and prioritizes policy issues for strengthening the sector. The directory will assist practitioners in connecting with other organizations that are located in the same region or working in the same area of activity.

We hope that the research will increase the knowledge base of CED in Ontario and Canada and will help other provinces to initiate similar projects with which comparative data analyses can be performed.

## **1.4 Research Methodology**

Research data for this project was collected through a survey and through documentation from four regional workshops that CCEDNet Ontario co-hosted in 2007. Information collected from the four regional workshops contributes to the understanding of

challenges and barriers facing CEDOs and their communities. The survey design was developed in 2003 for a national research project completed by CCEDNet to produce the *Profile of Community Economic Development in Canada* report. The survey design for that project was developed with guidance from a research advisory committee comprised of CED practitioners. To improve the accessibility of this survey, participants were able to participate in English or French and by an emailed survey, telephone interview, or a combination of both. The research will be disseminated through CCEDNet Ontario's regional events, newsletter, and the national website. The Manitoba CED Network (CCEDNet's regional network in Manitoba) is also currently producing a similar report and it will be possible to do a comparative analysis of CED in the two provinces and perhaps generate conclusions that will assist those involved in the CED sector to scale-up their work.

### **Survey Sample**

Over 220 organizations were identified and invited to participate in the survey. Participants were identified through CCEDNet's membership list in the Ontario region, membership lists of other networks within CCEDNet's membership, practitioners and organizations that have been involved in CCEDNet workshops and learning events in the past, and CEDOs found through web-based search queries.

The regions of Ontario we used to define our sample are Northern Ontario, Central Ontario, Eastern Ontario, and South-western Ontario. We recognize that Northern Ontario would be more appropriately divided into North-western and North-eastern Ontario, given their cultural and regional differences. However, based on the number of responses we received from Northern Ontario we decided to combine the two regions for better representation.

### **Data Collection**

Each organization that was contacted was provided with a working definition of CED and was encouraged in the survey to identify their own involvement in CED with a description of the activities they considered to be relevant. The Ontario regional coordinator and two program assistants contacted the invited participants and implemented the survey. The CEDOs were surveyed through telephone and/or through email contact. See Appendix 1 for a sample of the survey.

### **Framework for Analysis**

To answer the question "what is the nature, size, and scope of the CED sector in Ontario?" we identified the following factors:

1. Nature is assessed by
  - a) geographic distribution;
  - b) incorporation type;
  - c) age of organizations;
  - d) typology of CED activities;
  - e) categorization of CEDOs;
  - f) factors hindering success.

2. Size was measured by:
  - a) staff/volunteer level of organizations;
  - b) revenue sources and average levels of revenue for 2007 fiscal year.
  
3. Scope was assessed by:
  - a) describing the clients/beneficiaries/stakeholders of the above CED activities;
  - b) describing the observed outcomes of the CED activities.

In assessing the collected data we were selective about what data to incorporate based on its relevance and consistency in relation to the total data collection. The report examines key descriptive elements of the provincial CED sector and, where possible, some regional summary information.

### **Scope of the Research**

The survey results cannot be viewed as a comprehensive or a constant sample of the CED sector in Ontario. Rather, it can only be seen as a *sample* of the sector at one given time (January 2007 – January 2008). We view this project as the beginning of an ongoing process of mapping the CED sector in Ontario. We will encourage more organizations to add and update their information on our online directory so that we can build a larger and more representative picture of CED in the province. The research had a definite timeline and relied as well on the time and input of each respondent. Due to these constraints only those participants who responded in time were included in the report. Otherwise, participants were allowed to fill out the survey at their own convenience and pace and were provided with the opportunity to change, clarify, and verify their information. As well, we relied largely on existing contact and network information to identify and invite potential participants and were therefore not able to include all existing CEDOs.

Simultaneous to CCEDNet's CED mapping in Ontario, two other mapping projects of Ontario's social economy were being undertaken by other researchers. The Ontario Co-operative Association (OnCoop) will be releasing a similar, more comprehensive profile of the co-operative sector of Ontario while three researchers from the Social Economy Centre at the Ontario Institute for Studies in Education, University of Toronto, are compiling a profile of social purpose businesses in the province. We would have liked to have incorporated some of the work from these important projects into our report. Unfortunately, their research was not ready within our set timeline. The integration of these projects into one wide-ranging map has potential as a future endeavour.

### **Response Rate**

Approximately 80 organizations were invited to participate via telephone while approximately 220 organizations were contacted via email, including the 80 who were contacted via telephone. A total of 56 surveys were completed but we were not able to use all of these in every section due to blank, incomplete, or unclear answers. On average about 45 surveys were used per section. In each section, averages are based upon those respondents that answered the question clearly and completely. The response rate for the survey is approximately 25% (54/220). For this type of instrument we feel that 25% is a reasonable response rate.



## 2. Nature of the CED Sector in Ontario

### 2.1 Geographic Distribution

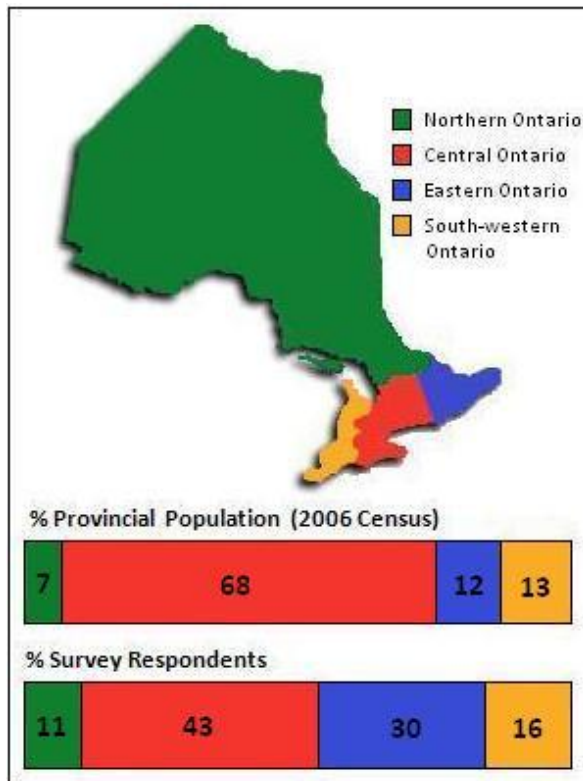


Figure 1: Geography of CED in Ontario

To understand the geographic distribution of CED organizations (CEDOs) in Ontario we used four regional areas: Northern, Central, Eastern, and South-western. We would have liked to have further divided Northern Ontario into North-western and North-eastern given that the two regions do experience substantial differences in language, culture, and isolation. However, due to the size of this current research project, we felt that the amount of data collected from the two northern regions were insubstantial in creating an adequate depiction of CED activity in those specific areas but that together they help represent a very distinct regional difference.

Figure one illustrates the population distribution throughout the regions and the number of respondents from each regional area. On a per capita basis we received fewer responses from organizations in Central Ontario than we

did throughout the rest of the province. However, because Central Ontario holds close to three quarters of Ontario's population this picture does not represent the fact that we received, in general, far more responses from Central Ontario than any other region. In fact, there is a strong need for more research and inclusion of the other regions to ensure that we understand exactly how far reaching CED is and what barriers exist perhaps *because* they exist outside of the most populated region of Ontario.

### 2.2 Urban/Rural Distribution

Table 1 portrays the representation in this profile of organizations operating in rural and urban areas, and those who work in both areas.

Throughout all of Ontario 20% of respondents were organizations operating in rural areas, 41% in urban areas, and 39% operate in both.

	Northern Ontario	Central Ontario	Eastern Ontario	South-Western Ontario	All Regions
Rural	17%	13%	18%	44%	20%
Urban	17%	50%	47%	22%	41%
Both	67%	38%	35%	33%	39%

Table 1: Urban/Rural Distribution of Survey Respondents by Region

It is interesting to note that Northern Ontario seems to be the most diversified with well over 60% of surveyed organizations stating that they work in and with both rural and

urban communities. This is well over the average in the southern regions of Ontario. Unsurprisingly, Central Ontario sees the most urban-based CED operations while South-western Ontario has the most organizations working strictly in rural settings, likely in correlation to its agricultural communities.

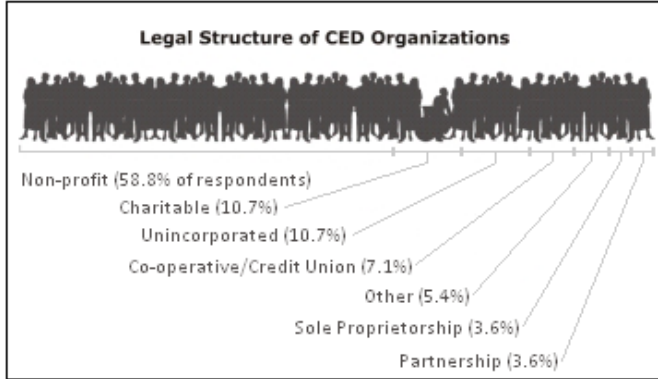


Figure 2: Legal Structure of CED Organizations

### 2.3 Incorporation Type

Figure 2 illustrates a breakdown of the incorporation type for all organizations who participated in our research. Non-profit groups, charities, and co-operatives make up the majority of those responding to the survey, comprising over three quarters of those included in the profile report. Typically, these are the types of organizations involved in CED although it is clear

that other entities are crucial players in the CED sector. The large number of reported unincorporated organizations suggests that incorporation is an issue for many CED groups and practitioners.

We did not have many organizations identify a for-profit status, although this may be due to a lack of clarity in our survey or to a limitation in our outreach. Certainly there are for-profit groups that are doing valuable work in CED and they need to be included as well in future mapping of the sector.

### 2.4 Age of CED Organizations

We noticed in our survey that organizations that have been in operation for 6 to 10 years and over 15 years are more prevalent than those that were established between 1993 and 1997 and those that were only recently

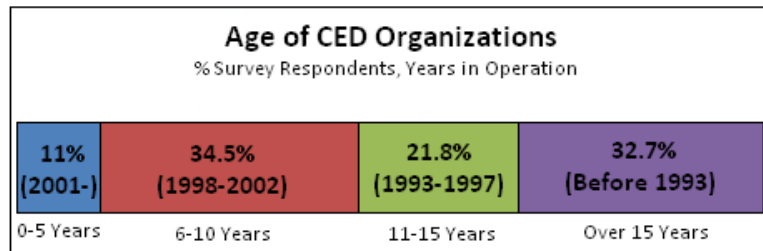


Figure 3: Age of CED Organizations

established in the last five years. It would be worth investigating whether the small number of young CED initiatives is associated with an actual drop in CED growth or whether their lower representation in our report is correlated to a lower public visibility due to their recent emergence. It is reassuring to view the strong presence of organizations that have been in existence for over fifteen years, suggesting that these CED models have discovered various methods of maintaining sustainability. An increased communication between these generations of CED should help transfer skills and organizational knowledge from older organizations to newer ones.

### 2.5 Activities of CED Organizations

In the survey, participants were asked to list the types of activity they are involved in. From these responses we broke the activities down into the 7 distinct themes shown in Figure 4. Following the principals of CED's holistic, multi-faceted approach to community problem solving, survey respondents reported a wide variety of activities, with over 70% of respondents listing 5 or more.

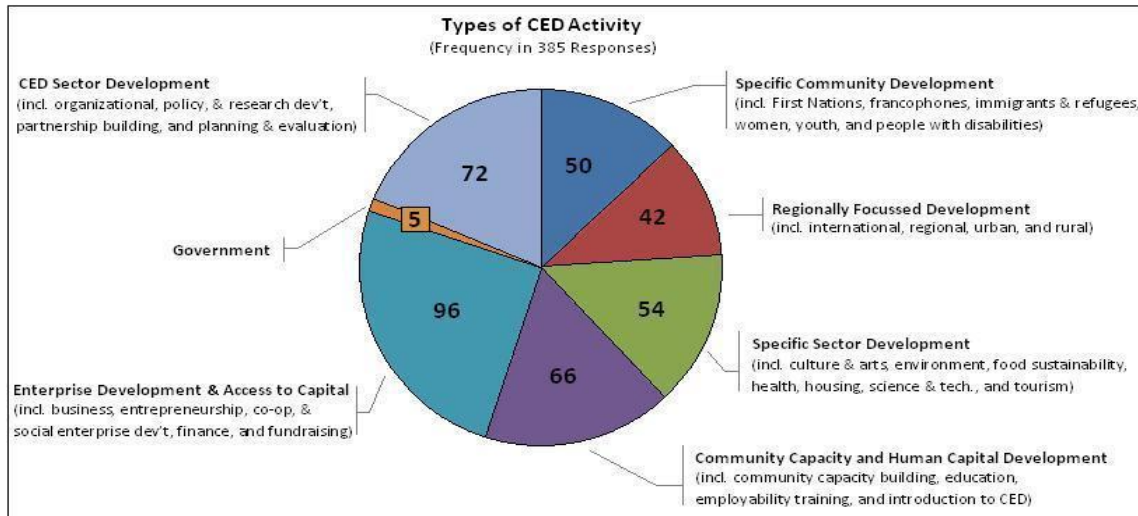


Figure 4: Types of CED Activity

The most frequently listed activities were in Enterprise Development & Access to Capital. Many organizations admit that funding and access to capital are the largest obstacles to their work (see section 4. Barriers to CED Success) leading them towards innovative ways to balancing their budget while still providing the services needed in their communities. Social enterprise, entrepreneurship, and co-operative development are some of the key ways that organizations are doing this. The next largest area of CED activity is in the development of the CED sector. Many organizations are finding support and sustainability through partnership building and a focussed analysis of the way in which their services are provided. While these two categories are directed more towards internal sustainability the majority of the reported CED activity is actually in direct community, regional, sector, and individual development (the four categories on the right in Figure 4). With more sustainable funding and capital sources many of these organizations would be able to invest more efforts into CED.

In our survey we received few responses listing government as a targeted area of CED activity. We believe this low representation is attributable to a lack of clarity in our survey about the presence of government in the list of CED activities (see Appendix A). The survey should be amended to specify how government is included in an organization's mission to development local economy. For instance, many organizations are involved in correspondence with government offices to educate officials, to increase political involvement in CED initiatives, and to strengthen local government. Many organizations need government partnerships to secure funding and to ensure the inclusion of CED in political agendas. Figure 4 vastly underreports the significance of these partnerships.

## 2.6 CED Beneficiaries and Clients

Just as CEDOs are involved in a variety of activities they are also focussed on working for and with a variety of people. Figure 5 looks to whom respondents direct their work. Almost half of the respondents are involved in the direct development of marginalized

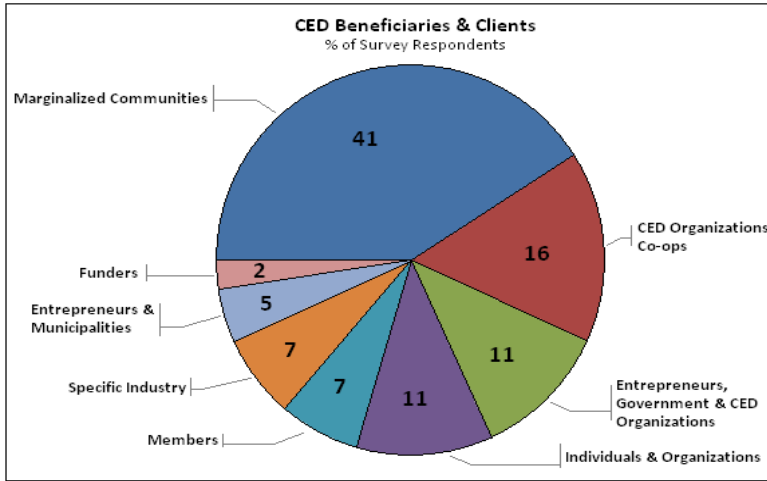


Figure 5: CED Beneficiaries & Clients

communities. The primary objective of most CEDOs is to assist those who are disadvantaged in our society to improve their economic and social conditions. This can also come in the form of sector support. As can be seen, 38% of survey respondents are involved in aiding other organizations, individuals, and government who are involved in CED or strengthening the CED

sector. Another 7% focus the majority of their work on providing goods or services to their members. Having a membership is an effective way for many organizations in reaching financial sustainability as the costs of the organizations are shared partially or completely by their members. Although only 2% said that funders were the beneficiaries this is an important category as often funders can have a strong voice in the direction of an organization's work.



### 3. Size of the CED Sector

Due to the time constraints of this profile report we were unable to gather enough information to develop a truly comprehensive idea of the size of the CED sector in Ontario. In this section we will look predominantly at the *average* size of CEDOs. It is still very early to give a clear estimate of the overall size of the CED sector in Ontario, given the lack of information available on the number of CEDOs currently in operation in the province. The Ontario Co-operative Association has completed a mapping project for the co-operative sector that will be released shortly that will likely provide another blueprint for the continued mapping of the CED sector.

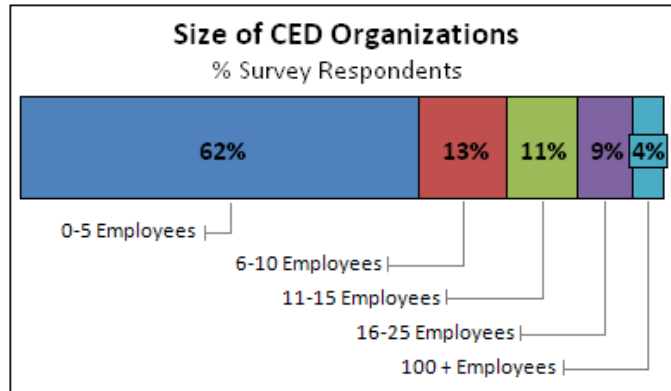


Figure 6: Size of CED Organizations

#### 3.1 Staff and Volunteers of CED Organizations

In figure 6 we can see the average employment base (full- and part-time) of CEDOs. The majority of CEDOs surveyed have 5 employees or less. From this image we can understand the need for human resources within the sector. We can also assume (based on the volunteer support shown in Figure 7) that the low employment rate is a result based more on the financial capacity of the sector rather than a lack of interest in the sector by prospective employees. 96% of organizations who responded to the survey have 25 employees or less. As organizations grow, the number of peer organizations of similar size decreases proportionately. The largest organizations in this survey were credit unions and foundations, one of which accounted for a staff of 539 employees. It is reassuring to note that organizations of moderate size (6-15 employees) comprise ¼ of survey respondents, which suggests a certain level of employment development in the sector.

Urban	Rural	Both	Northern Ontario	Central Ontario	Eastern Ontario	South-western Ontario	All of Ontario
50%	40%	71%	80%	67%	64%	25%	62%

Table 2: Percentage of FTE Employees

Table 2 reveals the relationship between full-time and part-time employment in the CED sector. The highest rates of full-time employment in CED appear to be in Northern Ontario and in those organizations that operate in both urban and rural communities. South-western Ontario has the fewest full-time employees with only a quarter of CED staff engaged in full-time labour. Coincidentally, rural communities also have a very low percentage of full-time CED employment. This phenomenon would be worth more investigation to understand whether low full-time employment is a result of regional capacity or organizational capacity. Throughout all of Ontario the ratio of full-time to part-time employees is approximately 3:5.

Figures 7 and 8 represent the human resources within the CED sector by region and by Urban/Rural distribution. In figure 7, the Central and Eastern Ontario regions dominate the employee and volunteer graphs. Because many of Ontario's largest urban areas are located in these two regions, access to a working and volunteering population will be much higher. The number of overall contracted positions is low, although contract positions are often important ways for organizations to incorporate and train new practitioners, often through employment programs.

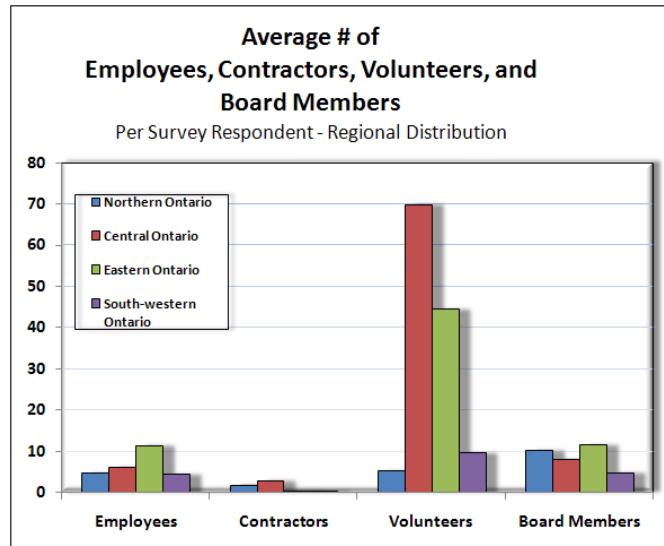


Figure 7: Average # of Workers - Regional Distribution

The most impressive aspect of figure 8 is the large number of volunteers graphed in urban-based CED. Urban CED has, to its advantage, a much larger population from which to draw volunteers, while rural areas struggle more to fill human resource demands. Other than this large discrepancy the statistics remain remarkably even throughout urban and rural communities.

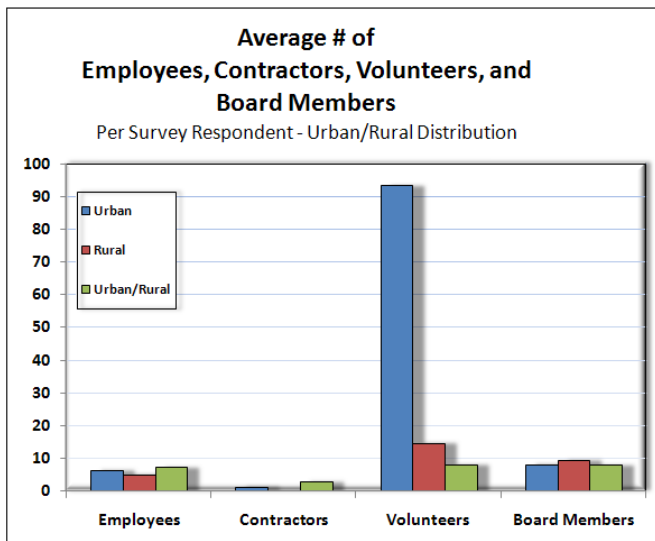


Figure 8: Average # of Workers - Urban/Rural Distribution

### 3.2 Revenue Size and Revenue Source

Unfortunately the data that we received in our survey for revenue information was the most inconsistent. Many organizations were afraid to divulge their fiscal information for a variety of reasons. Some of the respondents seemed to not have access to the financial background of their organization, some were afraid that their funding would be compromised if their current funders discovered their other funding sources, and

others seemed merely shy to share these details. This echoes the economic climate of our society where unequal economic opportunities and wages make people suspicious and sensitive around money discussions.

Of the responses that we could use we discovered that three fifths (3/5) of reported CED revenue came from government sources. Revenue from other sources may have been downplayed or omitted due to some of the fears listed above. From previous research, such as the Profile of CED in Canada, we have made the observation that for every dollar of government investment in CED, another dollar is produced. The image shown

in Figure 9 suggests a different trend. Possible reasons for the discrepancy are diverse, ranging from unclaimed revenue sources to lower economic sustainability. Perhaps with more complete fiscal information a different image would reveal itself. However, the actual economic impact of CED cannot be measured solely by fiscal information. Some CED groups provide services that used to be governmentally provided and that help to alleviate strain on the existing systems. As well, the CED sector often provides consultation, advocacy support, and employability training that stimulate local economy growth but are not directly calculated as a monetary return on investment.

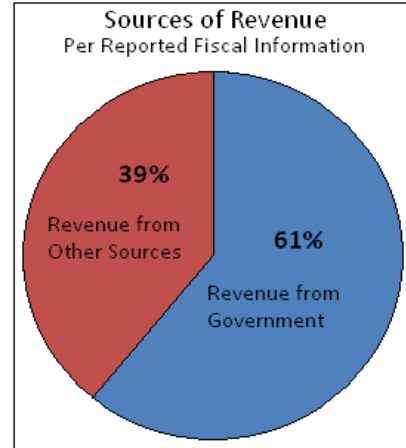


Figure 9: Sources of Revenue

In table 3 we can see the average funding received by organizations from the municipal, provincial, and federal governments. Municipal and provincial contributions to the sector are remarkably similar while the federal government provides more than twice their average funding. This being said the federal average is affected by substantial grants given to only a couple of organizations. When these grants are taken away the federal

	Municipal	Provincial	Federal
Average funds per organization	\$147,497.33	\$149,489.33	\$ 360,000.00

Table 3: Average Governmental Funding per Organization with Governmental Funding

average levels out close to the municipal and provincial averages.

In table 4 we can see that many organizations rely on more than just government funding to do their work. As mentioned before, more and more organizations are adopting business models like social enterprise to meet financial needs while simultaneously maintaining their vision and provision of services. With 44% of organizations receiving supplemental funding from other funding sources it is clear that non-governmental funders and philanthropists are an important aspect to the continued sustainability of the CED sector in Ontario. In the continued mapping of CED in Ontario it will be important to develop more detail on what the other sources of funds are that are being used by the sector.

% of organizations with governmental funding that receive other funding	44%
% of organizations with governmental funding that produce other income	38%

Table 4: Percentage of Organizations with Governmental Funding with Other Sources of Revenue

Finding accurate and practical methods of measuring the economic, social, and even environmental impact of CED has been an ongoing issue for many organizations in the sector. Organizations are often quite capable of relating stories and case studies of effective work but are less able to provide the 'hard' data requested by funders and external assessors. The CED Technical Assistance Program (CEDTAP), as a collaborator in OnCEDCo, has researched approaches to measuring social and environmental benefits. Social Return on Investment (SROI), for example, analyzes "blended returns." In other words, SROI

examines the cost-benefit ratio for the environmental and social value created by CED.<sup>2</sup> Another tool in quantifiably measuring the CED double or triple bottom line is through social accounting. Central to this process is the Expanded Value-Added Statement (EVAS) which seeks to monetize services and goods often regarded as free.<sup>3</sup>

CCEDNet has also been working on a Place-Based Poverty Reduction initiative which is looking towards current approaches in the sector of quantified analysis of socio-economic impacts. More information on this project will be available on our website ([www.ccednet-rcdec.ca](http://www.ccednet-rcdec.ca)).

Developing the capacity for developing and providing quantifiable data is very important in arguing the case for CED and for proving the benefits of an organization's work. However, this form of research should not replace existing means of assessing CED activities and the importance of qualitative information, but should rather reinforce it. As Karim Harji notes in his paper on the Social Return on Investment, it was Einstein who said that "everything that can be counted does not necessarily count; everything that counts cannot necessarily be counted."

---

<sup>2</sup>Karim Harji (2008). "Social Return on Investment." CEDTAP-PATDEC.

<sup>3</sup> Karim harji (2008). "Accounting for Social Impact." CEDTAP\_PATDEC.

## 4. Barriers to CED Success

In our survey we asked CED groups and practitioners if there are any barriers to success in their work and, if so, what are those barriers. Some respondents noted as many as four obstacles while others noted only one or, in a couple of cases, no notable barriers at this time. We left our question very open, not listing any categories nor demanding any particular level of specificity. What we received was a broad list of obstacles ranging from direct policy or legislative inefficiencies to limited organizational capacity to social and environmental conditions. Altogether, we received 95 responses from a total of 45 respondents. We then categorized these responses into the 7 key areas that follow. In each section we will include samples of comments that we received about the specific identified barriers.

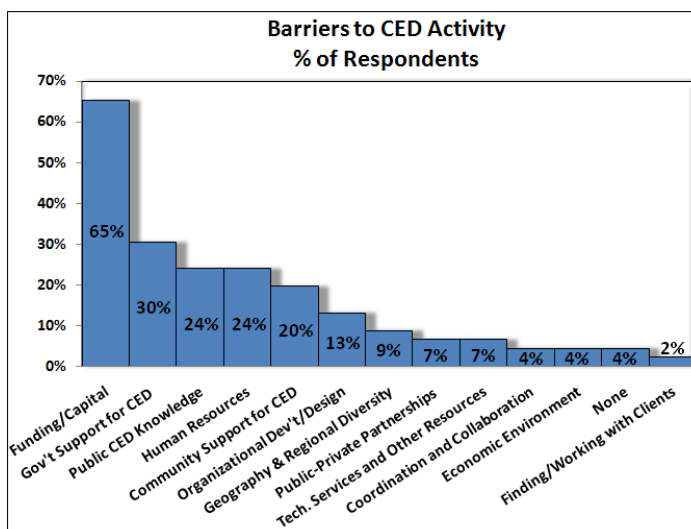


Figure 10: Barriers to CED Activity - % of Respondents

governmental financial support. The issue of funding support is identified in CCEDNet's proposal for the development of an Ontario Social Enterprise Trust, which would assist CEDOs in accessing long-term funding.

"Government funding silos and inadequate funding programs to support CED. This includes the trend of CEDOs (Community and Economic Development Offices) being agents of government programming (training, self employment services, etc.) rather than partners in delivery of services which are accountable to the community they serve."

"Lack of major funding mechanism that would focus on supporting CED/ABCD strategies."

"We need a Canada Futures Program for cities the size of London, ON."

"Carrying a debt with the government makes the company ineligible for funding and ineligible to apply for charitable status."

"Lack of government and private funding to micro-business."

"Effort and expense required to sustain levels of service through project grants."

### 4.1 Funding and Access to Capital

Unsurprising to those in the field of CED, funding and access to capital was the most frequently identified barrier to success. Many of the 64% who listed finance as a continued issue expressed disappointment with the amount and method of economic support from government sources. We may also assume that many of those surveyed who feel a lack of government support are referring, at least in part, to

## 4.2 Government Support

Fifteen percent of the responses identified a lack of government support as a detriment to their sustainability. Surprisingly, many of those surveyed felt that government workers are often unaware of what CED means, let alone how it works. Given these observations it is understandable that those surveyed also found that policy is poorly designed to serve them and that much policy development needs to happen to support the sector. An effective educational process of CED needs to be adopted to ensure our civil servants know how to best serve communities' economic needs.

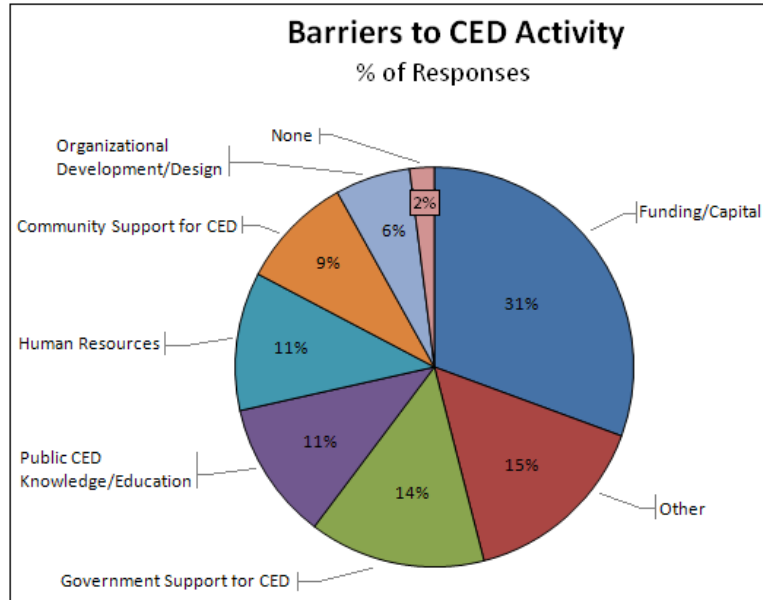


Figure 11: Barriers to CED Activity

“Lack of government support of real economic development initiatives (i.e. social enterprise).”

“Government is not supportive for social enterprise, more supportive of social programs and more traditionally delivered services.”

“Resources of the City/Provincial/Federal are not focused or directed i.e. no CED strategy.”

“Municipal Act that does not adequately address the problem of absentee neglectful property owners and land speculation.”

“In Ontario there is little political will to work in CED.”

## 4.3 Community Knowledge and Understanding of CED

A lack of community knowledge and understanding around CED was also observed by 24% of the survey respondents. Currently very few educational programs or community outreach initiatives exist outside of the sector to improve public awareness of CED. This points to the need for a stronger grassroots, informal education process facilitated by CED practitioners. Greater governmental education around CED will help transition towards the development of established, institutional curriculum on sector activities and objectives.

“Misinformation, misrepresentation and what is worst, under representation of the needs of micro businesses.”

“Lack of promotion outside the organization.”

“Low awareness in the community of what CED is and what the results can be.”

“Need to be more clearly articulate what CED is to those both inside and outside the field.”

“Getting the word out about our services with the information overload so many people experience.”

#### **4.4 Community Support**

18% of respondents stated that community support for their programs and businesses is low or even antagonistic. The absence of public education on CED is a likely contributor to this feeling as well as scepticism and stigma toward ‘unconventional’ business models that has been reinforced in our society.

“Resistance to change.”

“Lack of support for/awareness of social enterprise, social entrepreneurship and social innovation.”

“Pessimistic attitude and in-fighting within target community.”

“Sometimes encounter resistance to the effort and time required by communities to implement a Healthy Communities initiative effectively.”

“People would rather fight for improving their entitlements than or access to tools that will help them acquire productive assets i.e. affordable home ownership, loan funds etc.”

#### **4.5 Human Resources**

A large part of the struggle for CEDOs is finding trained and experienced staff and volunteers. With budget limitations most organizations are not able to hire many or any full-time staff and cannot afford to provide educational leave. With staff shortages, high work demands, and the level of commitment found in the sector some organizations have experienced worker and volunteer burnout. 24% of respondents identified human resources as an organizational obstacle.

“A lot of non-profits don’t want to take the risk to start a CED initiative...they don’t know how...A lot of non-profits don’t know how to run a business.”

“Lack of skills within CED sector – business skills and project development, evaluation, and alliance building.”

“Lack of Access to Professional Development Support for Staff.”

“High demand for services vs. small number of human resources.”

“Lack of paid staff.”

“Employees are on funded internships, placement programs, and JCPs, making human resources a number 1 issue.”

#### **4.6 Organizational Design and Vision**

Sustainability is often closely associated to the type of organizational model within which a business or community group operates. 13% of respondents admitted that elements of their organization were not developed well enough to meet the needs of their work. Many of these organizational constraints are undeniably caused by other barriers such as low staffing, lack of expertise and training, and insufficient funding.

“Organizations doing CED have weak documentation systems and are not well able to promote results of CED if their systems are weak.”

“Need for more cohesion in CED vision and for more carefully defined planning framework, e.g. measurable goals/benchmarks/outcomes.”

“Non-sustainable business models.”

“It is difficult to juggle business outcomes with social outcomes.”

“SCALE – without scale an organization cannot afford to take risk – without risk there is no CED.

VISION – too often CED is thought to be a project, and not an integrated, multifaceted response to a community’s situation.

ACTION – building a common vision is imperative; however, too often that vision does not translate into action. Lack of Scale and long term financial support are the major barriers here.”

#### **4.7 Other**

Other factors were accounted for by the respondents. Here are a few more noteworthy barriers to CED success.

“Need to develop a stronger network for development and capacity building within the co-op sector.”

“Need for more partnerships with the corporate sector.”

“Business located in an area with not many community agencies to aid in process (i.e. affluent areas have fewer agencies aiding).”

“Vast geographical area and regional diversity.”

“Difficult winter weather conditions.”

“Physical space too small.”

“Lack of high speed internet access.”



“More development of web-based materials to support co-operative development.”

“Globalization pressures.”

#### **4.8 Barriers Identified at Regional Workshops**

In 2007 CCEDNet Ontario co-hosted four regional workshops in Sault Ste. Marie, Sudbury, Peterborough, and Hamilton. These workshops engaged individuals involved in CED and the social economy and provided an area to brainstorm issues and challenges for their work and their communities. Participants included local CEDOs, social enterprises, academics, municipalities, Social Planning Councils, First Nations organizations, co-operatives, francophone organizations, and CED funders. Over 150 individuals participated in one of the four workshops.

The following challenges and barriers for CEDOs and communities were identified during brainstorming and prioritizing sessions at the workshops. The top three priorities were identified at each of the four workshops, for a total of twelve prioritized challenges and barriers.

- 5 of the prioritized issues related to increasing networking and collaboration between community organizations, researchers, and government to share best practices, create a community visions, increase access to jobs and services, identify gaps in services and increase effectiveness by integrating all CED work.
- 3 of the prioritized issues related to the need for sustainable, ongoing funding for community organizations, harmonized funding across all governments, and access to capital.
- 2 of the prioritized issues related to poverty reduction and understanding the root causes of poverty, one of which used the social determinants of health framework.
- 2 of the prioritized issues related to human resources and increasing the recognition of employment credentials of newcomers

#### **4.9 Comparison of the Results of the Workshops and of the Survey**

Comparisons between the survey and the data obtained from the workshops reveal an interesting difference in the ranking of barriers. The highest identified barrier for workshop participants was the improvement of networks and collaborations between all groups and individuals involved in CED. Although this is an identified concern for survey respondents it ranked low overall. This lack of correlation may be due to the manner of engagement in which the data was originally collected. The participants attending the workshops experienced first-hand the benefits of sharing experiences and building network connections. Also, it is likely that the workshop participants had participated in other similar exercises and so were more positive about the prospects of working with other practitioners and organizations. The survey, while conducted partly by telephone, was mostly administered through email. This meant that we were able to reach people who are not usually able to attend workshops or maybe have less interest in workshops. However, it also meant that a social atmosphere was not created in which the advantages of networking and inter-organizational exchanges could be inspired. The other notable addition found in the list of barriers provided by the workshops was the need to improve the holistic outlook of CED in the province. CED is definitively holistic in

its view of community issues but in action that perspective can be lost. This issue can be defined as a human resource problem, with many organizations feeling that there is little time or money to spend on employee and volunteer training and education to ensure a maintained holistic vision.

## **5. Outcomes**

We asked our survey respondents to identify the types of outcomes they have seen their work have on their target community. By “outcome” we refer to the results, impacts and changes that result from CED activities for participants and the community as a whole. The responses we received revealed that frequently CED operations have positive effects in areas that were sometimes not targeted. The majority of the responses also showed that organizations have little capacity to perform quantitative analyses of the impression their work leaves on the community. Here are some of the outcomes that practitioners have observed.

### **Human Resource Development**

“Increased women’s access to training, credit, networking, mentoring, and leadership development. Increased economic independence for women through the development of self-employment and employment opportunities.” – *from a woman’s economic development organization*

“Individuals achieve skills, knowledge and confidence for long-term self sufficiency  
Community gains more youth leading productive, self-sufficient and healthy lives.” – *from a social enterprise employing homeless and “at-risk” youth*

### **Providing Funding/Access to Capital**

“Directly – increasing the capacity, both financial and technical, and the capital available to Aboriginal Financial Institutions; Indirectly – by achieving the above increasing the availability of capital and developmental financing to Aboriginal businesses and entrepreneurs.” – *from an Aboriginal network*

“To date, we have helped over 468 micro borrowers and have provided over \$1,799,754.60 in micro loans. In 2007 we disbursed 68 loans totaling \$557,574.68.” – *from a credit union*

### **Education**

“More politicians local, provincial, and federal know about CED.” – *from a francophone economic development organization*

“Supports community partners in delivering literacy, learning, access to information, life skills across the province. Individuals receive training and support in employability and personal growth agendas. Peer mentoring shares strengths of individuals with identified talents in CED-centered model to benefit other leaders seeking those talents. Provides learning for at-risk community members on regional basis.” – *from a technology support organization*

### **Capacity Building**

“Increased community capacity to effectively address community issues; Increased diversity of community members involved; increased mutual support and information sharing; increased collaboration; Clients are connected with sources of beneficial

information, services, and resources; Increased skills of clients in program/project development and evaluation; Clients are more knowledgeable about Healthy Communities, including the link between poverty and health, and strategies for improving their well-being, including Community Economic Development; Widely shared vision and strategic community agenda.” – *from a healthy community development organization*

## **Sector Development**

“Improved participatory approaches to CED, planning, research and evaluation meaningful collaborative and partnership approaches, developed greater community-based poverty reduction effectiveness and impact significant policy and program innovations and change.” – *from a consulting firm*

“Improved sustainability of community economic development projects; Higher employability of local youth; Community engagement in local projects.” – *from a community development organization*

## **Employment**

“Individuals: assist clients to stabilize and then improve on life circumstances, resulting in improved self confidence and independence from government supports.  
Community: revenue generator (paid over 5 million in payroll, over 2 million in taxes), directly limit client reliance on government supports (ODSP, OW).” – *from a social enterprise employing “at risk” citizens*

“Improves quality of life of people who are homeless or at risk of homelessness through additional income, connection to permanent employment (which may include returning to school or starting a business), connections to community, enhanced self-esteem, improved nutrition and technical- and life-skills building.” – *from a homeless and low-income social enterprise funder*

## 6. Policy Priorities

Included in our survey was a list of potential policy advancements. We asked the survey respondents to rank each policy according to how important they saw these adaptations being in relation to their work and target communities. Policies were ranked between one and four, one signifying those that are most important and four representing those that are unimportant. For the purposes of this report the results of the policy survey have been reformatted into a table that depicts what percentage of respondents ranked each policy as being important (i.e. with a one or a two as opposed to a three or four).

In Table 5 we can see that the highest priority policy development for CEDOs in Ontario is increased access to capital for co-operatives and non-profit organizations. Also ranked high is the need for reforms to grants and contributions to the community non-profit sector. This is unsurprising following the investigation of barriers to CED activity where we discovered that many organizations struggle to maintain and find new sources of funding. As a partner in the Ontario Social Economy Consortium, CCEDNet supports the establishment of an Ontario Social Enterprise Trust (OSET). This long-term patient capital fund would help social enterprises across Ontario to increase social innovation and create new economic, social and environmental value. Although ranked comparatively low as a priority, we feel that the provision of a CED tax credit would also greatly benefit organizations in the sector. The credit would be modelled after other successful provincial programs like Manitoba's Community Enterprise Development Tax Credit Program or Nova Scotia's Equity Tax Credit.

Many CED organizations see a need for more support, governmentally and communally. This is illuminated in Table 5 and in the additional policy recommendations made below by the interest in having more support in developing employment, local procurement policies, rural and urban revitalization, social innovation and the social economy, as well

Policy Priorities				
Policies	Urban/Rural	Urban	Rural	Total
Increased access to capital for co-ops and non-profits	93%	72%	89%	83%
Support employment development through community economic development approaches to poverty reduction	83%	74%	50%	73%
Reforms to grants and contributions to the community non-profit sector	76%	56%	89%	70%
Support for local procurement policies	60%	72%	56%	63%
Give new-comers tools to contribute	50%	69%	63%	61%
Extension and expansion of the Co-operative Development Initiative	71%	39%	78%	59%
Invest in children (universal and comprehensive national child-care program)	60%	61%	50%	59%
Support rural and urban revitalization	50%	50%	89%	58%
Shift tax structure to benefit low income Canadians	38%	68%	67%	57%
Generate a comprehensive Social Housing Spending Program for Low-Income Canadians	43%	61%	63%	55%
Reforms to federal child benefits, EI and pension programs	29%	67%	67%	52%
Promote local food production and distribution	40%	40%	78%	50%
RRSP eligible CED tax credit	43%	39%	67%	46%
Empower communities to tackle climate change	47%	28%	33%	36%

Table 5: % of Respondents Who Identified Policy as Important

as an environment for poverty reduction investments. CCEDNet sees huge potential for increased support with the development of a sector-led social economy advisory committee with a minister responsible for the social economy, the creation of a provincial co-operatives secretariat, and the establishment of a voluntary and community sector accord modelled after the Canada VSI accord.

What is also interesting to note in Table 5 is the difference in policy prioritization between rural and urban regions. For example, policy development in the support for rural and urban revitalization and the promotion of local food production was prominently ranked by rurally-based organizations but not by urban or urban/rural organizations. As well, urban organizations ranked relatively low the improvement of policies around reforms to grants and contributions to the community non-profit sector and around the extension and expansion of the Co-operative Development Initiative. We believe it would be worthwhile to explore these distinctions to understand better the regional differences that exist for CEDOs in Ontario. The fact that most of the 14 policy areas were ranked as important areas of development by over 50% of the survey respondents suggests that advocacy around policy is an important priority for CCEDNet Ontario and that these areas need specific attention by government and policy developers.

When we asked participants to rank the provided list of policy priorities we also encouraged them to identify policies they felt were important but were not present on the list. The responses we received help to expand the scope of needed policy development and reveal the range of knowledge and awareness in CEDOs. Here are some of the suggestions that were made.

“More enabling regulatory environment” – *from a CED funder*

“Clear tax credits for blended return; create market for people to do that” – *from a CED funder*

“Change Canadian tax structure to facilitate capital market flows for social enterprise development.” - *from a social enterprise employing “at risk” citizens*

“Support for social innovation and the social economy” – *from a consulting firm*

“The development of a supportive political, policy and regulatory environment for poverty reduction investments, community controlled infrastructure development and leadership.” – *from a consulting firm*

“Reforms to social assistance and social support programs to maximize employment potential of recipients.” - *from a homeless and low-income social enterprise funder*

## **7. Conclusion**

This report provides an introductory profile of the size and scope of the CED sector in Ontario. The survey responses we received reflect a diverse, innovative, and developing group of organizations across Ontario engaged in the sector. We hope that this report will serve the interests of the CED community by developing better public and private understanding of the sector and highlighting policy priorities. As well, CCEDNet's online directory will continue to function, and to be expanded, as an information-sharing and networking tool.

The survey participants shared their experiences within their area of CED activity and put in their own words the type of community outcomes they have seen their work produce as well as the barriers that have made their objectives harder to obtain and measure. There is little doubt that much work needs to be done on a policy level to support CED.

The survey results show that incorporation is a challenge within the sector, with many organizations finding the process too arduous or not worthwhile. The benefits of incorporation should be made clearer and its process developed to serve the interests of the sector. The small percentage of young CEDOs in this survey indicates that new policy is needed to assist in the start-up of new organizations in the sector. As well, better communication and partnership building needs to happen between CEDOs and the various levels of government to address the identified lack of government understanding and support of the sector.

Clearly the CED sector is hampered by a lack of access to funding and human resources. The survey found that rural CED activities in particular are suffering from underemployment. When looking at the financial information provided by survey respondents the need for a more open and supportive financial environment is apparent. Finances remain a contentious and stressful topic for many CED practitioners. Ontario would benefit from a clearly laid-out CED agenda that addresses funding needs and sources. Additionally, the development of an Ontario Social Enterprise Trust would help the sector significantly in achieving budget and development requirements. Conventional economic development consistently receives higher policy and funding priority. CED needs to be recognized as a viable alternative to conventional economic development and its presence in provincial economic policy needs to reflect this important option. This shift would be particularly aided by increased visibility of CED models and approaches within our public and private education systems. In all areas of sector development there is a strong need for more inclusion of isolated and distinct regions to ensure that the progression of CED is regionally and culturally sensitive and that no community is left behind.

CCEDNet believes that communities and the CED sector would be strengthened by an evidence-based approach to policy development and sector assessment. The collection and analysis of the nature, characteristics, and scope of the sector need to be ongoing projects. This report and survey provide an initial baseline for a continued process. In the future CCEDNet will be working to further develop this research and engage with members and other stakeholders around the survey results and the direction that needs to be taken to address the apparent barriers. Policy development and collaboration will need to reflect CED's increasing importance as a successful approach to local sustainability.

## 8. Appendix A: The Survey



The purpose of this profile is to provide a broad picture of the CED movement in Ontario. It will be the basis of a new on-line national CED member and contact directory that will be available to the public and a report outlining a profile of CED in Ontario. For the purposes of this directory, we ask that you fill out one form for your organization and one for any social enterprise that is run by your organization. If you have any questions, please contact Matthew Thompson at [mthompson@ccednet-rcdec.ca](mailto:mthompson@ccednet-rcdec.ca) or 416-760-2578.

### Organization Name

**\*\*\*Your response to all questions that are not bolded will be kept confidential. The information will be compiled and analyzed by CCEDNet staff and available in aggregated form to the public in the report *Profile of the CED Sector in Ontario* to be released January 2008\*\*\***

**City:**

**Postal Code:**

**Province:**

**Street Address:**

**Phone:**

**Fax:**

**Website:**

**Contact Names:**

<b>Activity:</b>	
<b>Purpose:</b>	
<b>Rural/Urban:</b>	



Incorporation Form:	
Outcomes (what impact does your work have on individuals and your community?):	
Obstacles:	
Practice:	
Clients:	
Gross Sales:	
Gross Income:	
Income from Government (differentiate between levels of government):	
People Board Count:	
Contractor Count:	
Employee FTE:	
Employee Count:	
Volunteer FTE:	
Volunteer Count:	
Total Count:	
Startup Year:	

**Area of CED Activity**

- Community Capacity Building**
- Cooperatives**
- Culture & Arts**
- Disabilities Centered CED**
- Education**
- Employability Training**
- Entrepreneurship and Business Development**
- Environment**
- Finance**
- First Nations Centered CED**
- Food System Sustainability**

- \_\_\_ **Francophone Centered CED**
- \_\_\_ **Fundraising**
- \_\_\_ **Government**
- \_\_\_ **Health**
- \_\_\_ **Housing & Real Estate**
- \_\_\_ **International CED**
- \_\_\_ **Introduction to CED**
- \_\_\_ **Immigrant & Refugee Centered CED**
- \_\_\_ **Organizational Development**
- \_\_\_ **Partnership Building**
- \_\_\_ **Planning and Evaluation**
- \_\_\_ **Policy Development**
- \_\_\_ **Regional Development**
- \_\_\_ **Research & Development**
- \_\_\_ **Rural CED**
- \_\_\_ **Science & Technology**
- \_\_\_ **Social Economy & Social Enterprise**
- \_\_\_ **Tourism**
- \_\_\_ **Urban Development**
- \_\_\_ **Women Centered CED**
- \_\_\_ **Youth Centered CED**
- \_\_\_ **Other- Please Specify** \_\_\_\_\_

Policy Priorities

In terms of supporting your work and your community please rate the following: (1 very important, 4 not important)

- \_\_\_ Increased access to capital for coops and non-profits
- \_\_\_ RRSP eligible CED tax credit
- \_\_\_ Support for local procurement policies
- \_\_\_ Reforms to grants and contributions to the community non-profit sector
- \_\_\_ Extension and expansion of the Co-operative Development Initiative
- \_\_\_ Reforms to federal child benefits, EI and pension programs
- \_\_\_ Shift tax structure to benefit low income Canadians
- \_\_\_ Generate a comprehensive Social Housing Spending Program for Low-Income Canadians
- \_\_\_ Support employment development through community economic development approaches to poverty reduction
- \_\_\_ Support rural and urban revitalization
- \_\_\_ Give new-comers tools to contribute
- \_\_\_ Promote local food production and distribution
- \_\_\_ Empower communities to tackle climate change
- \_\_\_ Invest in children (universal and comprehensive national child-care program)

Others: