



*Des communautés
plus fortes au Canada
Strengthening
Canada's Communities*

High Impact Return on Investment from Community Economic Development

Community Economic Development (CED) is community-led action that creates economic opportunities while enhancing social and environmental conditions. CED proponents acknowledge that complex community challenges require comprehensive and integrated responses that are most effective and sustainable when community-led.

CED produces a demonstrated return on its investment. There are examples across the country that demonstrate how targeted investments in CED initiatives strengthen individual resilience and self-reliance while providing a cost effective alternative that reduces medium and longer-term pressure on public expenditures. CED results in stronger local economies, reduced poverty, healthier people, and more sustainable communities with greater control over their own future.

Immigrant Access Fund Micro Loan Program - Provides small loans on a not-for-profit basis to assist immigrants in acquiring the Canadian accreditation and training needed to work in their field of expertise, and move from low-income "survival" jobs to jobs that better utilize their valuable knowledge and skills. www.momentum.org/iaf

- **Social Return on Investment:** Under very conservative assumptions, the program produces annual real rates of return of 33% or more. Returns are even higher for higher earning occupations such as health and engineering, which are 58% for nurses, 32% for engineers and more than 100% for physicians. www.iafcanada.org/assets/83/The-Social-Rate-of-Return-to-Investing-in-Character.pdf

Learning Enrichment Foundation - Fosters social and economic development via a broad program mix for new Canadians: youth settlement and entrepreneurship, childcare provision and training, ESL and literacy, employment supports and training in food preparation, industrial/construction skills, and computer technology. www.lefca.org

- **Economic Impact:** More than 99% of participants enjoy higher before-tax income after their involvement with the Learning Enrichment Foundation. The increase ranged from 24% to 616%, with a median of 199%. www.ccednet-rcdec.ca/en/our_work/employment_poverty

PARO Centre for Women's Enterprise - For rural, northern, aboriginal, immigrant, and francophone women, who live on low incomes, have experienced violence, or are differently-abled. Entrepreneurial development supports are provided to individuals and collective enterprises through PARO's Business Accelerator program. www.paro.ca

- **Return on Investment:** PARO generated \$2.09 for every dollar spent on goods and services, which included \$0.72 of social value added. www.ccednet-rcdec.ca/en/our_work/employment_poverty

ÉCOF-CDEC de Trois-Rivières - Works to revitalize distressed neighbourhoods with an integrated strategy of collective and small enterprise development, employment assistance, local ownership, housing restoration, and public participation. www.ecof.qc.ca

- **Government Savings:** Based on the six-month retention period after employment, reductions in social assistance payments reached \$303,000 for 64 people.
- **Economic Impact:** Gross wages totalled \$688,000. This added \$385,000 income to the local economy and had an overall financial impact of \$991,000. www.ccednet-rcdec.ca/en/our_work/employment_poverty

The Right Stuff - Provides a supportive environment for at-risk youth to gain paid employment experience and access to an employment/life-skills counsellor. www.communityskillscentre.com/social-enterprise/right-stuff

- **Economic Impact:** The total annual wages of three Right Stuff employees totalled \$50,000. If spent locally, the estimated impact on the community economy would be \$150,000 annually.
- **Crime Prevention/Government Savings:** Thanks to employment at the Right Stuff, one participant was able to be in the community during weekdays, rather than in jail. This saves the \$85,000 it costs to support

an individual in a federal prison for one year. 41% of hired at-risk youth have undiagnosed mental illness. Employment helps stabilize their lives. This can save the \$1,000 it costs per individual per day for intermittent stays in a psychiatric ward. www.ccednet-rcdec.ca/en/our_work/employment_poverty

Pack-IT - Provides mailing, storage, distribution, and on-line fulfilment services to a variety of customers. Approximately half of the company's employees have a severe learning disability. Moreover, the company tends to take on those who are especially disadvantaged and who have the greatest difficulty obtaining and sustaining employment. www.pack-it.com

- **Social Return on Investment:** Every £1 invested in Pack-IT generated £1.90 of value each year for society in terms of reduced welfare costs and increased local purchasing. Other benefits, such as increased self-confidence and independence of the employees with disabilities suggest social returns underestimate the true social value created by Pack-IT. www.socialfirms.co.uk/resources/research/sroi-social-firm-case-studies-millrace-it-and-pack-it

Inner City Renovation – A construction company committed to the revitalization of Winnipeg's inner city and creating quality employment for low-income residents. www.icdevelopment.ca/services-IC_Renovation.asp

- **Economic Impact:** Over \$1 million in wages and benefits were paid out to employees in the first two years. An additional \$1 million was injected into the local community in the purchase of materials and sub-contractors.
- **Social Return on Investment:** As of 2008, ICR's cumulative Social Return on Investment was 52%, with cumulative cost savings of over \$660,000. www.icdevelopment.ca/company-about.asp

Sectoral Development

Child Care

- **Economic Impact:** Every dollar invested in child care programs increases GDP by \$2.30 - one of the strongest levels of short-term economic stimulus of all sectors and far ahead of construction and manufacturing.
- **Social Return on Investment:** Over the long term, every dollar invested in quality child care programs returns \$2.54 in benefits to society.
- **Government Revenue:** Even in the short term, more than 90% of the cost of hiring child care workers goes back to governments as increased revenue.
- **Labour Market Development:** Investing \$1 million in the child care sector generates almost 40 jobs - at least 40% higher than the next closest industry, and 4 times the jobs generated by investing \$1 million in construction activity. <http://www.policyalternatives.ca/AFB2011>

Social Housing

- **Economic Impact and Labour Market Development:** A commitment to build 300 new social housing units per year (at a cost of approximately \$150,000-200,000 per unit) in Manitoba would cost 45-60 million annually but would result in 1,800 jobs and an additional \$90-million in GDP each year. www.policyalternatives.ca/publications/reports/view-here

Local Food

- **Economic Impact:** A 2004 study in Nova Scotia found that 47% of farmers' market customers made purchases outside of the market at a ratio of \$0.50 for every dollar spent at the market. A 3.0 multiplier was applied to the sum of farmers' market sales and other sector purchases to arrive at a comprehensive economic impact. A New Economics Foundation study of a market in London, England found that the farmers' market had a multiplier effect of 2.5 times, as compared to 1.4 times for food bought in supermarkets. [www.fmam.ca/wp-content/themes/fmam/FMAM_Website_Contents/FMAM_Farmers_Market_Study_\(2008\).pdf](http://www.fmam.ca/wp-content/themes/fmam/FMAM_Website_Contents/FMAM_Farmers_Market_Study_(2008).pdf).

Learn More:

For more information, including links to the case studies highlighted here, please visit www.ccednet-rcdec.ca/en/node/10468 or contact Kirsten Bernas kbernas@ccednet-rcdec.ca.