ANNEX A

Doing Well by Doing Good: Analysis of the Business Case for Private Sector Engagement in Homelessness

Prepared for Human Resources and Social Development Canada (HRSDC) Homelessness Partnering Secretariat

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Executive Summary

The purpose of this project was to identify and document the economic rationale for private sector organizations to become engaged in the prevention and reduction of homelessness. The Homelessness Partnering (HP) Secretariat has sought to identify and describe examples where there is a “business case” for private businesses to engage in activities connected to homelessness, its prevention, or to employ homeless or near-homeless persons. The Secretariat seeks a report that summarizes actual experience in a way that provides some lessons and insights that they might then use to more broadly stimulate this type of activity for further private sector engagement.

This research was conducted by utilizing the research team’s extensive network of contacts in Canadian municipalities, not-for-profit/charitable agencies, shelters, foundations and business organizations. The initial stage of the research focused on a broad survey of contacts in the homeless shelter system, community agencies responding to homelessness, municipal contacts and known business sector contacts identified in ongoing activities of the HP Secretariat.

Many initiatives of potential interest were uncovered. From these, a selection was made on which to conduct more in-depth case studies.

Boardwalk Pathways to Housing, Calgary
Woodgreen Community Services, Toronto
Destination Centre Ville, Montréal
Vancity Credit, Vancouver
Women Building Futures, Edmonton
Habitat for Humanity Toronto
Community Builders Benevolence Group Best Practice Market Housing, Vancouver

In undertaking this assignment the lens for the analysis was specifically homelessness, and the engagement of private business investment. The analysis developed a typology as a framework to categorize initiatives using two dimensions:

1. Was the motivation primarily business (profit) -oriented, or did the private sector engagement derive more from a philanthropic orientation?

2. As a result, are the benefits tangible and immediate to the business or less tangible and more deferred or long-term benefits?

The analysis recognized that there is no one, single, business case, but potentially a variety of opportunities through which businesses may become engaged, beyond purely philanthropic motivation. These include:

- New or expanded business opportunities
- Labour sources
- Human resources "leverage"
- Enhancing community safety and attractiveness
- Branding

These motivations, moreover, may overlap significantly. For example:

- an element of "branding", where a company benefits in its image with consumers through involvement with a cause, is present in all cases;
- enhancing the community's safety and attractiveness can lead to new business opportunities over time.

Some investors or business participants, identified as involved in an initiative that might act as an illustrative case, were perplexed when presented with the questions of this study. In many cases, they had not conceived of the initiative as an attempt to respond to homelessness, per se. More often than not they were simply undertaking a community service, which in this instance happened to be related to homelessness, but which was also only one of many initiatives in which they have become involved.

As to motivation, we found that the initial key impetus was almost always social benefit. As one corporate official noted "there are broad societal and economic benefits from this program…. but we don't go into these arrangements with any expectation of direct impact to our bottom line".

Having said this, in many cases, a corporate social responsibility agenda was aligned with the objective of imbuing the corporation with a positive image as a way to retain or attract employees or customers. Another executive did agree that a socially-responsible image helps to attract good employees with parallel values, which may translate downstream into stronger human resources within the organization. But, the nature of these benefits from the firms' point of view appear to be relatively imprecise, indirect and realized over time, as compared to core or explicit business objectives.

As anticipated at the outset, the research was not able to identify any initiatives that were pure business cases, with no philanthropic motivation.

The closest example to a fully profit-oriented business case is that of the Downtown Montréal Commercial Development Association. The Association's "Street Ambassador" program is intended to help local business improve sales by reducing or eliminating the negative image of homelessness on the nearby streets and parks. Rather than simply lobbying government and police to remove street dwellers, the initiative reflects a more constructive effort to invest directly and purposefully in solving the problem, by providing direct employment to homeless persons as part of the program, and by providing referrals to housing agencies.

Another good example where private returns are the primary motivation, *for the private sector* participants, as opposed to the not-for-profit organization that brought the private sector in, is the case of Women Building Futures in Edmonton. In this case, oil/gas and construction companies can access job-skilled labour for lower cost and risk than via their alternative sources. In this case, the local context is important: an extremely tight market for skilled labour has created an opportunity identified and capitalized upon by the Women Building Futures organization.

However, the research also found that while private partners did not necessarily set out to profit or enhance returns, many did in fact generate positive bottom line impacts: they have "done well by doing-good".

Good examples of initiatives of this type include the Habitat for Humanity "Adopt a Day Challenge"; and that of Boardwalk Rental Communities in Calgary and of similar private landlords in Toronto. In these cases, the private sector partners have taken part primarily for reasons of social responsibility, but do enjoy an ancillary business benefit. Such benefits are acknowledged by the business participants, but are not treated as quantified inputs to the financial bottom line.

Branding (i.e., identifying, the corporation with a cause, in this case homelessness) is achieved and acknowledged as at least a secondary benefit in all cases where the business partner is also achieving a more-specific benefit.

One other perspective became clear in the course of this work. Some businesses clearly have a "bottom line" orientation that includes the health of the community. Vancity, in Vancouver, provides one particularly good example, focusing on a long-term "triple bottom line" (incorporating community-societal outcomes and minimizing environmental impacts, in addition to generating a return on investment). This is important in terms of understanding the nature of benefits to private businesses involved in social initiatives: i.e., "purely business" objectives may be being satisfied, in this sense, even where immediate financial return is not observed. This approach is consistent with long-term building of the community and business conditions, taking the view that "a rising tide raises all boats".

In almost all cases, the impetus for engagement in specific initiatives has originated with a community-based not-for-profit service agency approaching a potential business partner with an idea. As a consequence partnerships are a central ingredient in most of the identified initiatives.

<u>In terms of expanding business engagement in the issue of homelessness, the critical lesson from this work is that a two-tiered strategy may be required</u>:

- On one level it may be useful to get corporate champions to speak about how their business has gained from their involvement, as a way to encourage others. Identification and support of champions is always important; but

- It is probably more important to coach community-based agencies on how to develop a marketing plan to sell their idea to potential business partners. This has been the root of success in the profiled cases included in this report. Not-for-profit organizations could use assistance in learning to look at the local context and opportunities, understand the way benefits might fall to society as a whole and specifically to businesses, and shape their proposal to business relative to the opportunities.

- In all likelihood, the more a proposal by not-for-profit organizations concerned with homelessness can be located toward the lower left quadrant of the diagram (on Page 7) developed in this study, offering more tangible and financial benefits to business partners, with a more immediate return, the more likely they are to find partners.

- Having said this, there is clearly a great deal of room for partnerships which do not offer such tangible and immediate returns, and this should not be forgotten. Businesses surveyed for this project have clearly stated that they have significant community service as well as business motivations, and view the "payback" as a long-term proposition. Many causes are pursuing corporate support, so shaping proposals strategically around objectives that can benefit corporations helps to develop more competitive and successful proposals for partnerships.

1. Introduction and Goal of this Project

This project seeks to identify and document the economic rationale for private sector organizations to become engaged in the prevention and reduction of homelessness. The Homelessness Partnering Secretariat seeks to identify and describe examples where there is a "business case" for private businesses to engage in activities connected to homelessness. The Secretariat seeks a report that summarizes actual experience in a way that provides some lessons and insights that they might then use to more broadly stimulate this type of activity for further private sector engagement.

As discussed below, the Secretariat wishes to focus on initiatives that differ from those undertaken based solely on philanthropic motives and specifically asks for exploration of initiatives for which there is some form of "business case". We interpret a "business case" to mean a situation where private business either generates revenues or reduces costs to some extent by virtue of its involvement in an initiative. This impact may not be precisely quantifiable and may not occur immediately, but should at least be identifiable in qualitative, and broadly in quantitative terms.

At the outset, we accepted that it may be possible that some "pure" business case examples exist; i.e., examples where the principal and initial business motive is on the "bottom line" only, but we hypothesized that it is more likely that examples exist where individuals or firms are initially motivated by philanthropic, social justice or corporate social responsibility. They may have entered into corporate or business activities that have some potential to generate revenue or reduce costs, but this will not have been the initial or primary motivation.

1.1. Background

Traditionally, efforts to respond to homelessness have originated through faith-based and community-based service organizations. Faith and charitable organizations have created and provided various forms of refuge, meals and emergency shelter for homeless persons. More recently, responses to the problem of homelessness in Canada have been sought from and provided by government, working in collaboration with service providers at the local level.

The Government of Canada has been active in the area, as a response to a specific set of issues, since 1999, with a range of activities and funding programs focused largely on community-level responses, under the National Homelessness Initiative and subsequent funding efforts (now the Homelessness Partnering Strategy). These activities have engaged and incorporated efforts by provincial/territorial and municipal governments and by not-for-profit sector agencies and organizations.

Most recent government and community-based (not-for-profit or charitable agencies) activities have begun with a focus largely on shelter and support services to reduce the number of street-homeless persons, a problem which was becoming increasingly widespread and visible in the late 1980s and 1990s. In the last several years, Government of Canada, provincial/territorial and municipal program responses have evolved to a more proactive emphasis on preventing homelessness, and facilitating peoples' transition back to secure housing tenancy, employment and self-sufficiency.

Without unduly oversimplifying the matter, there are two broad subsets of circumstances facing homeless persons or households:

- Chronic homelessness: often involving mental health/addiction issues. Individuals are usually separated from their families and often found in the most severe street-homeless circumstances and persistently re-circulate through emergency shelters, are on and off the street and frequently require emergency services.

- Economically-based homelessness: in this case, people (and increasingly households including children) simply have too little income, due to low wages or loss of employment, relative to housing and living costs. Such households typically become homeless as they are evicted from their rental accommodation, fall into arrears on the rent or mortgage, or are involved in family estrangement. Many such households are very close to falling into homelessness as the loss of employment by the principal breadwinner, or even of a secondary contributor, could mean imminent eviction.

However, these are not entirely separate categories. Those experiencing mental health problems, in many cases, also experience income problems. This often exacerbates the underlying causes and contributing factors leading to their ongoing homelessness.

To date, the bulk of government and community-sector funding and effort has been devoted to providing shelter and transitional/supportive services. An approach that has received relatively less attention, so far, is to create opportunities for individuals or households to gain, or regain, skills, credentials and stability necessary to participate in the labour market.

1.2. Research Methodology

This research was conducted by utilizing the research team's extensive network of contacts in Canadian municipalities, not-for-profit/charitable agencies, shelters, foundations and business organizations. The initial stage of the research focused on a broad survey of contacts (in excess of 100) in the homeless shelter system, community agencies responding to homelessness, municipal contacts and business-sector contacts identified in ongoing activities of the HP Secretariat.

Through these contacts, potential case studies were sought that would cover a range of characteristics.

In exploring potential cases to highlight, we sought to identify the motives and rationale for business engagement: the impetus or initial stimulus for the activity, the nature of the business investment and whether there are tangible and measurable returns.

A number of interesting potential cases were identified but not pursued as they reflected simply a philanthropic or charitable contribution or represented a form of social enterprise where there were no business partners (although possibly involving services sold to private entities). Others were identified that involved initiatives to create affordable housing and home-ownership opportunities, but these are farther along the continuum than preventing and reducing homelessness so were not included.

The research identified many corporations that have become involved in corporate social responsibility activities related to homelessness. But when specifically questioned, respondents replied that they did not approach the initiative as a business proposition: they see it as a community service.

That said, even when based on more philanthropic motives, private business contributors typically still apply an investment criterion: they tend to wish to direct their donation to a cause where they can see a tangible outcome, such as improving life and labour market skills, or helping to achieve managed placement out of shelters. This is not motivated by personal or business return as much as it is a desire to have an impact on a particular issue.

The informal survey instead sought identification of initiatives either led by or actively engaging private sector partners, where there is some form of a "business case" for engaging or investing in activities related to preventing or reducing homelessness. In short, in addition to (or even in place of) philanthropic objectives, the question was: "does this activity offer a return on investment? More precisely, the question was: does this activity improve the company's bottom line overall, as compared to alternative activities, or at least offer some financial return partially offsetting the cost of the initiative?" A cross-section of such initiatives, that were judged to have the most merit as illustrative examples, were documented and are included in this report.

2. A Typology of Initiatives

The team's initial thinking on the characteristics of initiatives that might be analytically useful was along functional lines. Broad categories of initiatives can be so-identified:

- *Branding* – using activities as a way to brand a product or services (or a corporation more generally) in the market, and thus appeal to socially conscious and ethical consumers. Where a corporation seeks investment, or is a publicly traded company, it may also benefit by its shares being attractive to social and ethical investment funds.

- *New or expanded business opportunities* – improving economic conditions and opportunities in neighbourhoods characterised by low incomes and street homelessness, and providing services to a former homeless population (once stabilized and appropriately supported) expands markets over time for local business.

- *Enhancing community safety and attractiveness* – homeless street persons are sometimes seen to undermine perceptions of safety with the result that potential consumers may not shop or use services in the area therefore reducing sales revenues. Initiatives that seek to house and employ the visible homeless population could help remove this negative image while also helping to address homelessness.

- *Labour source development* – in industries or regions with labour shortages, providing education and training to former homeless persons can create sources of labour. Depending on the type of work, the nature and intensity of the labour shortage, and the required training, this may involve lower recruitment costs than traditional labour recruitment and training practices.

- *Human resources "leverage*" – by portraying an image as a socially responsible corporation, companies are able to retain and recruit employees with a strong social conscience and shared values with an implied assumption that this will result in a more motivated and qualified workforce, with indirect but positive impacts on the company's business performance. This is also, to some extent, another form of ``branding.``

These broad categories, however, turned out to overlap significantly, within the context of a given initiative. For example:

- an element of “branding,” where a company benefits in its image with consumers through involvement with a cause, is present in all cases;

- enhancing the community’s safety and attractiveness can lead to new business opportunities over time, as well as immediate improvement in the attractiveness of the area to retail commerce. Similarly, investments that over time improve the economic conditions of the neighbourhood may improve its attractiveness and safety;

- labour source development, taking people out of homelessness and unemployment, also support the economic health of the area, which may lead to enhanced safety and attractiveness of the area, and to new business opportunities.

Moreover, our research found that identification of initiatives to prevent and reduce homelessness by functional type yielded little insight as to the real motivations, or more accurately, mix of motivations, that lay behind them.

Some investors or business participants, identified as involved in an initiative that might act as an illustrative case, were perplexed when presented with the questions of this study. In many cases, they had not conceived of the initiative as an attempt to respond to homelessness, per se. More often than not they were simply undertaking a community service, which in this instance happened to be related to homelessness, but which was also only one of many initiatives in which they have become involved.

As to motivation, we found that the initial key impetus was almost always social benefit. As one corporate official noted “there are broad societal and economic benefits from this program…. but we don’t go into these arrangements with any expectation of direct impact to our bottom line”.

Having said this, in many cases, a corporate social responsibility agenda was aligned with the objective of imbuing the corporation with a positive image as a way to retain or attract employees or customers. Another executive did agree that a socially-responsible image helps to attract good employees with parallel values, which may translate downstream into stronger human resources within the organization, but the nature of these benefits from the firms’ point of view appear to be relatively imprecise, indirect and realized over time, as compared to core business objectives.

In the course of our research it became clear, therefore, that it is possible to develop a hierarchical typology or continuum to more-systematically characterize initiatives by their relative business or philanthropic orientation. This characterization provides a “strategic map” of opportunities, ranging from profit-seeking to philanthropic orientation.

The first dimension of this typology describes the extent to which an initiative is oriented to achieving financial returns, or on the other hand, a philanthropic or corporate social responsibility orientation, with little expectation of private return accruing to the investors.

Primarily financial ⟷ **Primarily philanthropic**

In some cases, a private, financial return is in the form of new revenues; in others, cost savings due to operating efficiencies. These returns are relatively direct, meaning closely related to the cost and revenue calculus of the company, tangible and quantifiable. In other cases, the benefit may be more indirect (e.g., improving the company’s image as a way to recruit or retain socially motivated employees) with a less quantifiable bottom line impact.

In addition to this dimension, from our research it is clear that potential business returns on such investments occur over different time periods. Some returns may be immediate and others are deferred or received over a longer term. Returns to an employee-training and placement initiative, for example, might produce results quickly, while a community development strategy might be expected to be realized over a relatively long-term.

This gives us a second axis, with a variation between immediate or deferred, longer-term, returns:

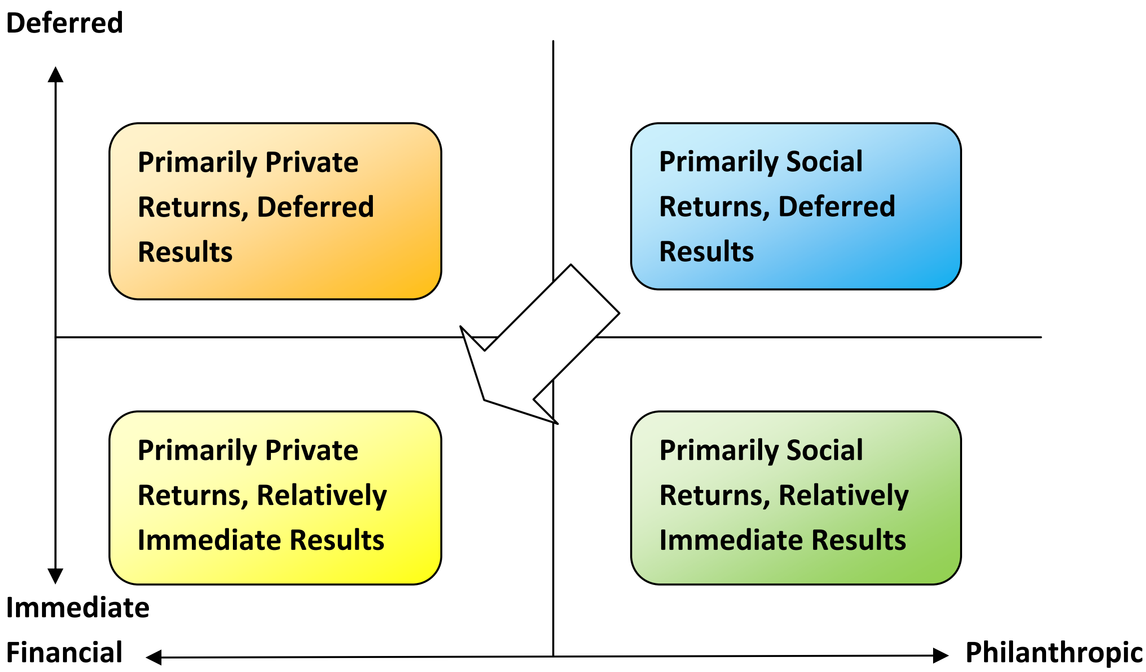
Immediate return ⟷ **Deferred Return**

Plotted in two-dimensional space, in Figure 1, we have the generalization of a typology of initiatives, with four quadrants to further illustrate the typology. Each quadrant is labelled as to its general position in terms of the two dimensions of immediacy and type of return.

An initiative would be characterized as “primarily private, or financial” in returns, if there was an aspect of the private benefit, for the private businesses involved (as opposed to the benefit sought by not-for-profit intermediaries) that could not be achieved otherwise, in the context of that market. The use of this terminology does not mean that private returns do not constitute returns to society. It is simply to delineate actions driven primarily by profit motives from those driven primarily by motives of “broader social good.”

The large arrow in the center of Figure 1 indicates the direction in which the placement of an initiative moves from the philanthropic to the business-oriented. Figure 1, therefore, can serve as a conceptual "strategic map" to be followed by organizations that may want to attract more business involvement in their initiatives.

Figure 1: General Typology



It will be clear in the ensuing discussion of the actual initiatives that none conform to an extreme position, such as "purely private and immediate returns", or purely social and immediate returns". In all cases, there is an observed mix of private and social objectives. Examples include cases of pursuit of business opportunities where the choice of that opportunity, even though economically sound in its own right, is at least in part due to a desire to serve the community, or examples of philanthropy that nevertheless serve to favourably "brand" a company and its products in the public eye. In some cases, benefits can be both immediate and long term in nature, but this is usually more clearly delineated.

3. *Overview of Examples*

In exploring possible candidates for more detailed examination, a variety of examples were identified with a cross section of these selected for more detailed discussion. These are summarized in this section, characterized against the analytical typology developed in the previous section. More detailed case studies are presented in the Appendix (these are identified in this section as “CASE STUDY”).

Assignment of examples to these categories was difficult, as all contain a mix of private and social benefits. The distinction ultimately used to distinguish between primarily private, financial return and primarily social return may appear to be subtle, but it is important in understanding the potential to make such initiatives more common in the future, by isolating the business benefit.

As discussed earlier, an initiative was judged, in what follows, to be primarily financial in returns if there was a significant private or financial benefit for the businesses involved (as opposed to the benefit sought by not-for-profit parties to the initiative) that could not be achieved otherwise, in the context of that market. This is not to say that in such cases, businesses are only involved for their private benefit. In fact, it is clear that corporate social responsibility is also generally involved. Such cases, however, would make financial sense for the business even if they had no social intent.

The market context is very important. For example, the niche occupied by Women Building Futures, to be discussed below, would not likely exist without a tight labour market and a pool of unemployed persons, in this case near-homeless persons, available to be trained and take positions that would otherwise have to be filled by expensive labour sourcing across and outside of Canada.

The distinction as to primary motive is arguable, on a case-by-case basis. Nevertheless, the analysis is critical for understanding the potential for initiatives elsewhere.

1) Primarily Financial, Relatively Immediate Returns

Key examples:

a) Women Building Futures (CASE STUDY), an Edmonton not-for-profit, was founded by social workers to help women out of poverty. Since 2003 the organization has provided training in trades and support during and after training, in life skills, financial skills as well as assistance in resolving issues such as finding child care for students and graduates. While the students are in the program, they live in condominium units supplied by the organization, in order to take them out of their negative situation. This is concentrated on the near-homeless / “couch surfer” cohort and not on those with deeper problems and the “hard” street-homeless.

Women Building Futures (WBF) has better than a 90% success rate in terms of students completing the program and being hired immediately by businesses as indentured apprentices. The construction, road building and oil and gas industries support the project by hiring graduates and donating equipment. Industry partners also promote graduates to other companies.

Several oil and gas companies are helping to finance, as sponsors, the conversion of a warehouse into a training and housing facility. Industry sponsors have also donated $1.5M as an endowment to fund operations, plus $1M for a student bursary fund.

The companies are involved because: a) they can depend on WBF to supply them with job-ready skilled labour in the construction trades, thus assisting the companies in a tight labour supply market; and b) involvement in the enterprise boosts their profile, or brand, as responsible corporate citizens.

b) The Centre Ville Ambassador project with the Downtown Montréal Commercial Development Association (CASE STUDY) is an example where businesses are directly investing in a program which employs street homeless to clean up streets and parks, with the objective of removing negative images for potential customers. The initiative is funded by the local business association, with explicit benefits to member retailers.

c) Vancity’s (CASE STUDY) “Springboard Mortgage Program” is a good example of an identification of a market efficiency with benefits to businesses and clients. With the shortage of housing in Vancouver, a percentage of people living in not-for-profit rental housing could/would pay market rents, or a mortgage, except for the need for a down payment.

   Vancity has created a 100% loan mortgage product for this market segment. Over 10 years, on the first 20% of the loan the borrower makes payments on the principal only; on the other 80% they pay only interest. This loan option enables the prospective homeowner to get into the market, to their benefit. At the same time, Vancity receives a higher total payment over the life of the mortgage than would result from a conventional/insured mortgage. Clients are mostly in the Fraser Valley, as costs in Vancouver make this more difficult.

Other examples (not fully documented in Appendix):

d) MOST (Mission Off the Street Team) is an initiative of the Downtown Winnipeg Business Improvement Zone (BIZ) and the Siloam Mission. MOST, similar to the Montréal initiative, provides supervised temporary employment in street cleaning and improvement for selected individuals within the homeless and panhandling community. At the same time, the participants receive outreach support to help with their issues and transition back into housing. This initiative is funded by BIZ.

e) Another example of this kind is a partnership between the Moncton Chamber of Commerce, representing the downtown merchants, and the local YMCA. Downtown businesses were concerned that youth loitering in their store fronts were hurting business and wanted them "out of the way". The Chamber went to the homelessness Supporting Communities Partnership Initiative (SCPI) committee meetings, and in time agreed to partner with the YMCA to support programs to engage the youth in productive activities, including training.[1]

f) In Ottawa, a partnership was formed between Hartman's IGA and the John Howard Society (JHS). Hartman's had a rooming house that the City closed due to the poor condition of the building. Thus it was no longer generating rental income, nor was it providing housing. Hartman's entered into a long-term lease with the JHS which applied for and received funding from several sources (SCPI funding via City of Ottawa) to fix the building and provide permanent supportive housing for ex-offenders at risk of homelessness. Hartmans' benefited by having the building improved, re-establishing a revenue generating asset.

2) Primarily Philanthropic, Relatively Immediate Returns

Many of these initiatives are a form of social enterprise, typically led by non-profit community agencies, but working in partnership with business.

[1] The Supporting Communities Partnership Initiative was an initiative of Human Resources and Social Development Canada, in which municipalities and local agencies collaborate to plan and manage use of funding designated to counter homelessness in their community.

Key examples:

a) Boardwalk Rental Communities (CASE STUDY), a real estate investment trust, provides a pool of rental units at discounted rents, supporting the Calgary 10-Year Plan to End Homelessness. While Boardwalk executives are on the Board of the Calgary Homeless Foundation and have personal commitments to help end homelessness, this initiative includes a tangible business benefit for Boardwalk, as a private landlord. The initiative stabilizes formerly homeless individuals, who are supported through a community-based partner, and since units so-occupied turn over less frequently than average, the costs associated with unit turnover (typically in the order of $500/unit, excluding any vacancy losses) are reduced. This is a case of utilization of efficiencies with direct private benefits and collateral benefits to the community.

b) The “Adopt a Day Challenge” (CASE STUDY) has been an initiative of Habitat for Humanity since 2001. Habitat for Humanity offers companies the opportunity to have their staff participate, in an organized manner, in Habitat building projects. The benefits to the private participants are human resources-related: team-building and enhancing staff satisfaction. Habitat for Humanity charges a fee for this activity, covering the costs of coordinating the activities. The benefit to the private business is not readily quantifiable but is perceived to take the form of better staff morale, staff who identify more with their company, and enhanced potential to recruit other socially-conscious employees.

3) Primarily Financial, Deferred Returns

Key examples:

a) A prime example of this type is that of Vancity’s community development approach (CASE STUDY). This credit union/banking organization has a triple bottom line approach, which is therefore supported by all of their activities, whether primarily financially-oriented or not. They view development of the community as good for business, i.e., “a rising tide raises all boats”. While it is difficult for the organization to plan on the financial return of a community-oriented initiative, Vancity gives managers the flexibility and mandate to advance community building products.

One specific example of Vancity’s approach is the “targeted loans fund”. This is a term deposit program, where investors are guaranteed that the funds will be used in community development, via low-interest loans to not-for-profit organizations. This helps Vancity meet its triple bottom line community-building targets. Depositors still obtain a market return, therefore Vancity absorbs a reduction in short-term profit.

This, however, draws customers to Vancity and therefore is a good marketing/branding exercise.

Vancity Enterprises (the housing development arm of Vancity) is planning to develop properties to serve the homeless/near homeless cohort. The company's CEO says that the business case is hard to make, but there is a community need, so Vancity will nevertheless proceed. This is consistent with Vancity's overall approach: a) community development is good for business; and b) success is measured on a triple bottom line.

b) Homeward Bound is a job-readiness and employment-training program, led by the not-for-profit Woodgreen Community Services (CASE STUDY). The primary goal of Homeward Bound is to help mother-led families who have experienced homelessness achieve self-sufficiency. Woodgreen provides transitional housing (funded via various social housing and HRSDC programs) as part of the Homeward Bound initiative. It links directly to business through an industry council comprised of a number of large employers in the financial services and legal sectors and customizes its education programs to enable participants to be job-ready for positions in these partnering companies. Businesses are not required to fund the program although a number have made general donations to Woodgreen. They also contribute "in kind" by providing internships, human resources counselling and advice (such as college course selection) and offers of employment upon graduation.

c) Isisters, an Ottawa not-for-profit, provides computer/internet training to women living in poverty. The organization has a partnership with the Cornerstone Womens' Shelter whereby they have built a lab on the shelter's premises and provide training on basic computer/web skills. They have been in operation since 2001 and have recently graduated students. Isisters have a number of business partners, including temporary employment agencies that hire graduates as well as IBM, ScotiaBank and Nortel. The latter are involved primarily in providing funds and equipment. Scotiabank also sponsors events and are considering offering a "job shadowing" program for Isisters graduates.

Other examples:

d) Similar to Boardwalk, the Toronto Streets to Homes initiative has engaged private sector landlords to provide rental units at discounted rents (and roughly one quarter also have rent supplement assistance) to make them more affordable. This may be a cyclical initiative, prompted by a softening rental market and rising vacancies among some of the larger portfolio landlord corporations, but as indicated in the Boardwalk case, the initiative offers a tangible benefit in the form of reduced expenses on turnover of units (as long as stabilized former homeless people sustain a tenancy).

4) **Primarily Social, Deferred Results**

This category could contain many examples of business donations both in funding and in staff/executive time to support homelessness initiatives. Examples include staff and executives participating to sell Raising the Roof Toques, and cash donations, for example, by Direct Energy, Home Depot and RBC. This type of activity, however, is not the focus of this study.

One example,however, bears mentioning – the Community Builders Benevolence Group (CBBG) Best Practice Market Housing (CASE STUDY). This involves a group of benevolent investors that has purchased a number of rooming houses in Vancouver's Downtown Eastside and implemented a management plan that connects to publicly-funded support services and uses a peer support management model. The investors retain the asset and in the long run may gain from appreciation in capital value while the property operations are funded from rental revenues.

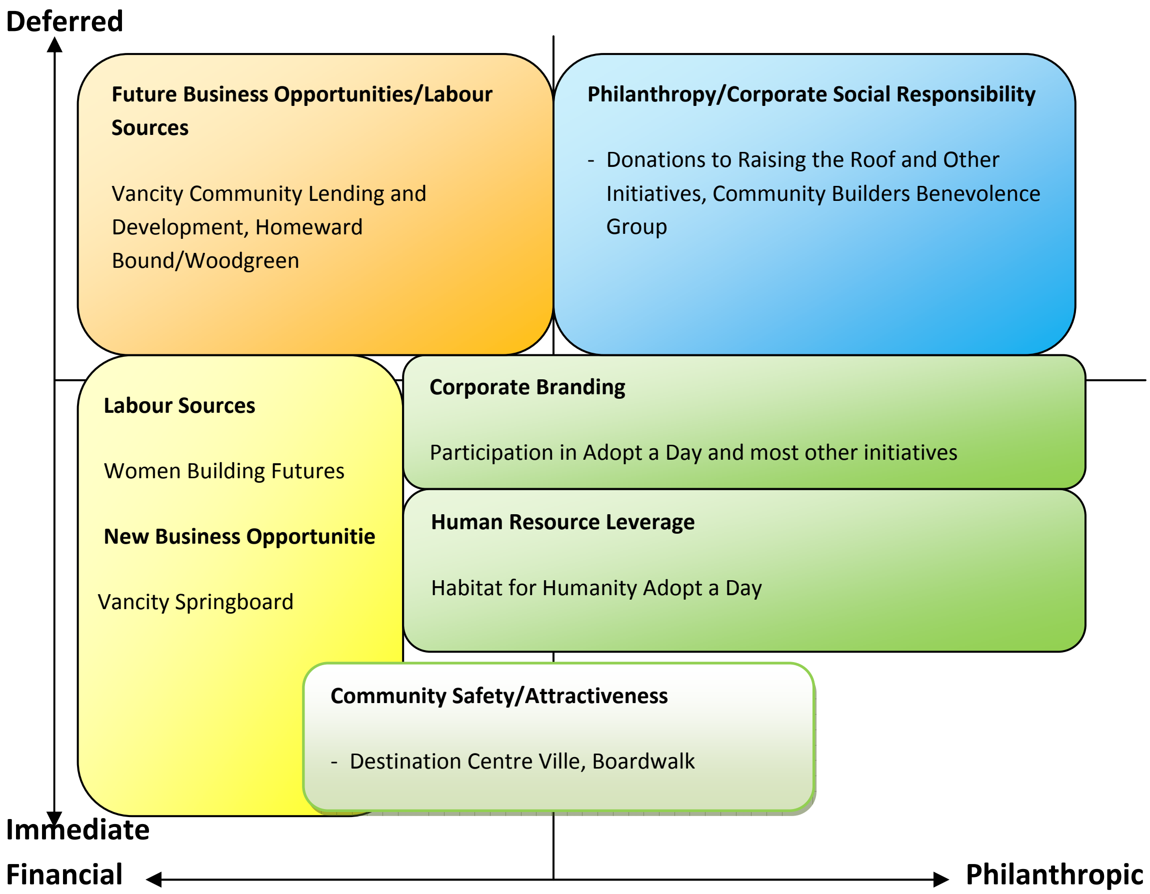
We can map the case study initiatives, as well as the general location of functional categories, onto the broader conceptualization that we have developed above. Figure 2 places the case studies into our framework, situating them with respect to the immediacy of the return to business or philanthropic result and the extent to which the results would generally yield private returns or philanthropic benefits.

It is clear from our research that functional categories can contain significant variation across the dimensions of immediacy of results and private versus social returns.

For example, "new business opportunities" and "labour development", illustrated by the Boardwalk Rentals, Vancity Springboard mortgage, and the Women Building Futures trades training initiatives, tend to deliver up-front results for the businesses involved. This does not negate the positive social results obtained, at all, but indicates clear, immediate business cases for private involvement.

On the other hand, future business opportunities may also be developed over a longer period of general community development, as in the case of the Vancity community lending programs. Such approaches would have less immediate results and a potentially wider range of effects, from private returns to more primarily social results.

Figure 2: Mapping Case Study Examples



Community safety and attractiveness relates specifically to local initiatives, usually by Business Improvement Associations (BIAs) in concert with social services providers that reduce the negative effects of street homelessness on the community and business, while helping individuals out of homelessness. These mix relatively immediate business benefits and social benefits, in assisting homeless persons, as the planned result.

Corporate branding initiatives, applied both to consumer conceptions, and to the attraction and retention/motivation of employees (HR Leverage), would, if effective, have relatively immediate private benefits in the form of increased sales and reduced human resources costs, but generally also have significant philanthropic intent.

The mapping above also situates pure philanthropic activity (such as the Community Builders Benevolence Group) in terms of results and immediacy, which arguably results in long term, social benefits, but few identifiable immediate and private returns.

4. *Findings and Conclusions*

In undertaking this assignment the lens for the analysis was specifically homelessness, and the engagement of private business investment. The analysis developed a typology as a framework to categorize initiatives. This used two dimensions:

1. Was the motivation primarily business (profit) oriented, or did the private sector engagement derive more from a philanthropic orientation?
2. As a result are the benefits tangible and immediate to the business or less tangible and more deferred or long-term benefits?

The analysis also embraced the notion that there is not a simple single business case, but potentially a variety of motivations and reasons why private business may become engaged in these issues, which could include:

- New or expanded business opportunities
- Labour source
- Human resources “leverage”
- Enhancing community safety and attractiveness
- Branding

When contacting investors or business participants that were identified as being involved in a specific initiative some were perplexed. In many cases they had not conceived the initiative as an explicit attempt to respond to homelessness, per se. More often than not they were simply undertaking a community service and in this instance it happened to be related to homelessness, but only as one of many initiatives in which they have become involved.

As to motivation, we found that the key impetus was almost always social benefit. As one corporate official noted “there are broad societal and economic benefits from this program…. but we don’t go into these arrangements with any expectation of any direct impact to our bottom line”.

Thus the motivations tended to derive primarily from a philanthropic perspective rather than from a business case. In some cases the investment was related to a corporate social responsibility agenda and thus aligned with a broader objective of presenting the corporation in a more positive image as a way to retain or attract employees or customers. Another executive did agree that a socially-responsible image helps to attract good employees with parallel values, which may translate downstream into stronger human resources within the organization, but these appear to be imprecise, indirect and deferred.

As anticipated at the outset, the research was not able to identify any initiatives that were pure business cases, not at all philanthropically-motivated.

The closest example to a profit-oriented business case may be that of Destination Montréal. The Street Ambassador program is intended to help local businesses improve sales by reducing or eliminating the negative image of homelessness on the nearby streets and parks. Rather than simply lobbying government and police to remove street dwellers, the initiative reflects a more constructive effort to invest in solving the problem, by providing direct employment and referrals to housing agencies.

Another good example where private returns are the primary motivation, for the private sector participants, as opposed to the not-for-profit organization that brought the private sector in (this is always critical to keep “sorted out” in understanding these cases), is the case of Women Building Futures, in Edmonton. In this case, oil/gas and construction companies can access high quality job-skilled labour for lower cost and risk than via their alternative sources. In this case, the local context is important: an extremely tight market for skilled labour has created an opportunity identified and capitalized on by the Women Building Futures organization.

However, the research also found that while private partners did not necessarily set out to profit or enhance returns, many did in fact generate positive bottom line impacts: they have “done well by doing good”.

Good examples of initiatives of this type include the Adopt a Day initiative, and that of Boardwalk Rental Communities. In both cases, the private sector partners have taken part primarily for reasons of social responsibility, but do enjoy an ancillary business benefit (staff morale/training benefits and rent revenue stabilization, respectively). Such benefits are acknowledged by the business participants, but are not treated as quantified inputs to the bottom line.

Enhanced branding is achieved and acknowledged as at least a secondary benefit in all cases where the business partner is also achieving a more-specific benefit.

One other perspective became clear in the course of this work. Some businesses clearly have a “bottom line” orientation that includes the health or vitality of the community. Vancity is one particularly good example, focusing on a long-term “triple bottom line.” This is important in terms of understanding the nature of benefits to private businesses involved in social initiatives. i.e., “purely business” objectives may be being satisfied, in this sense, even where immediate financial return is not observed. This approach is consistent with long-term building of the community and business conditions, as “a rising tide raises all boats”.

In almost all cases, the impetus for the engagement originated with a community-based service not-for-profit agency approaching a potential business partner with a socially-oriented idea. As a consequence, partnerships are a central ingredient in most of the identified initiatives.

In terms of expanding business engagement in the issue of homelessness, the critical lesson from this work is that a two tiered strategy may be required.

- On one level it may be useful to get corporate champions to speak about how their business has gained from their involvement, as a way to encourage others. Identification and support of champions is always important; but

- It is probably more important to coach community-based agencies on how to develop a marketing plan to sell their idea to potential business partners. This has been the root of success in the profiled cases included in this report. Not-for-profit organizations could use assistance in learning to look at the local context and opportunities, understand the way benefits might fall to society as a whole and specifically to businesses, and shape their proposal to business relative to the opportunities.

- In all likelihood, the more a proposal by not-for-profit organizations concerned with homelessness can be located toward the lower left quadrant of the diagram (on Page 7) developed in this study, offering more tangible and financial benefits to business partners, with a more immediate return, the more likely they are to find partners.

- Having said this, there is clearly a great deal of room for partnerships which do not offer such tangible and immediate returns, and this should not be forgotten. Businesses surveyed for this project have clearly stated that they have significant community service as well as business motivations, and view the “payback” as a long-term proposition. Many causes are pursuing corporate support, so shaping proposals strategically around objectives that can benefit corporations helps to develop more competitive and successful proposals for partnerships.

Appendix: Case Studies

The following examples, categorized and briefly discussed above, were selected for deeper case study. These examples are felt to represent a good cross section of the typology as well as the differing types and motivations of business involvement. In addition, the spokespersons for these initiatives were particularly amenable to participation in this study.

1) Boardwalk Pathways to Housing, Calgary (business opportunity/community safety/attractiveness)
2) Woodgreen Community Services, Toronto (new labour supply, over time)
3) Destination Centre Ville, Montréal (community safety/attractiveness)
4) Vancity Credit, Vancouver (new and future business opportunities)
5) Women Building Futures, Edmonton (labour source)
6) Habitat for Humanity Toronto (human resource leverage/branding)
7) Community Builders Benevolence Group Best Practice Market Housing, Vancouver

The case studies are presented on the next pages. Each follows a template of issues and questions that this study was designed to address. This content varies over the cases, however, as some issues and questions were more relevant to one case than another.

Case Study #1: Boardwalk Rental Communities – Pathways to Housing

Overview of initiative

Boardwalk Rental Communities (a real estate investment trust) provides a pool of rental units at discounted rents as a way to support the Calgary 10-Year Plan to End Homelessness. While Boardwalk executives are on the Board of the Calgary Homeless Foundation and have personal commitments to help end homelessness, this initiative also includes a tangible business benefit for Boardwalk. Formerly homeless individuals secure housing through Boardwalk and are supported through a community-based partner, helping to stabilize their lives. Since these units turn over less frequently than average, the costs associated with unit turnover (typically in the order of $500/unit, excluding any vacancy losses) are reduced.

While not yet quantified (this pilot has just started), Boardwalk believes the reduced turnover will offset the discounted rental rates and provide long-term stable tenancies which would ultimately improve operational efficiencies and the bottom line, while concurrently supporting the Calgary 10-Year Plan.

Category of initiative

This is a good example of an initiative oriented to the state of the community, its safety and attractiveness, with primarily philanthropic results in the more immediate term. There are private benefits, but these are relatively minor and of secondary importance to the business partner.

Initiator and partners and respective roles and level of investment

Executives from Boardwalk are on the board of the Calgary Homeless Foundation and the Committee to End Homelessness and were inspired by a presentation by a New York advocate who spoke at an event in Calgary in 2007 on the Pathways to Housing program. The New York initiative started in 1992 and successfully reduced chronic homelessness by focusing on a housing-first model – providing affordable housing in conjunction with Assertive Community Treatment teams (social workers, psychiatrists and medical staff) to provide community-based supports that enable tenants to overcome mental health and addictions issues that underlie their chronic situation.

The Calgary model (the second one to be implemented in Canada replicating Toronto's Streets to Homes program) focuses on placement of chronic homeless individuals being discharged from hospital emergency wards. Boardwalk agreed to work with a community partner in providing a pool of units (up to 50 in the pilot phase) for allocation. Boardwalk discounts the rent to slightly below market (roughly $75/month discount).

The program (funded by the province) provides a rent subsidy (up to $800/month) to reduce the tenant's cost to 30% of income. Initially tenants are on income assistance, but there is an expectation that some will be stabilized and become re-engaged in work and obtain employment income.

Business motivation and basis for involvement

The initiative is based in part on the pre-existing organizational commitment by Boardwalk to support initiatives to end homelessness. They did not initiate, but responded to a request from the Calgary Committee to End Homelessness. Nevertheless, Boardwalk identified a means to do so which confers a business advantage.

Boardwalk has a large portfolio of rental units in Calgary and other cities and recognizes that annual turnover rates of 40 to 50% are a feature of rental tenure. This initiative is a way to reduce turnover rates.

Have they established specific objective, outcomes?

This is currently a pilot program, initiated only in November 2007 and Boardwalk has committed a pool of 50 units scattered across its portfolio. To date six individuals have been placed and all have been stabilized. There has been no negative reaction from other tenants and the community partner.

Is it an investment with direct tangible returns or are these indirect?

The company reports that it is difficult to point to tangible returns and thus the primary drivers are the stated company value of "social responsibility". However, there is an expected reduction in turnover rates and expenses associated with turnover.

How does it impact the company's bottom line?

Boardwalk foregoes full market rent in exchange for an occupied unit, with an expectation that the tenant will be stabilized and will remain longer, thus lowering turnover costs. There is a tangible benefit in generating a new rental stream as well as avoiding turnover cost.

Boardwalk has had a long history of making units available for rent supplement programs, although this initiative ventures into new territory in specifically linking to a homeless population.

Over time has the initiative expanded? Are there plans to continue this, expand this?

Plans are to expand initially to a 50-unit pilot that will evaluate the success rate in stabilizing formerly homeless individuals, with the commitment to increase the program in Calgary and other cities if the results are as expected.

Case Study #2: Woodgreen Homeward Bound Program

Overview of initiative

Homeward Bound is a job-readiness and employment-training program for mother-led families living in shelters due to homelessness and domestic violence. While Woodgreen's primary goal is to help these families achieve self-sufficiency, Woodgreen provides transitional housing (funded via various social housing and HRSDC programs) as part of the Homeward Bound initiative. It links directly to business by working with a number of large employers in the financial services and legal sectors and customizes its education programs to enable participants to eventually be job-ready for positions in these industries. Businesses are not required to fund the program although a number have made donations. They contribute "in kind" by providing internships, human resources counselling and interviewing advice, and offer employment on graduation.

Category of initiative

This is an example of less immediate results (the training program is three years in duration) with direct benefits to the homeless community and deferred benefits to the business partners (until interns develop sufficient skills to be effective employees).

Initiator and partners and respective roles and level of investment

This is essentially a social enterprise initiative (as it was initiated by Woodgreen Community Services, rather than by the business partners) with philanthropic support from the President and CEO of TD Bank Financial Group (who chairs the industry council of participating corporations) and several other private sector donors. The President and CEO's interest was initially philanthropic and involved a personal capital donation which helped in construction of the transitional housing. He was also interested in developing a more sustainable solution to homelessness. The idea of an employment skills development training program alongside transitional housing was suggested and selected as an effective way to achieve that objective.

Business motivation and basis for involvement

This was initiated as a social enterprise but with links to TD via the CEO's personal philanthropy. While industry partners do generate a source of new employees, this is largely seen as an ancillary benefit – the primary motive of business partners is to support a program that has strong potential to remove lone-parent families from risk of homelessness.

There is no investment required of business partners beyond willingness to conduct and supervise an internship and attend quarterly meetings. A number of participating corporations have separately contributed funds to Woodgreen, but this funding is not earmarked to this particular program.

Have they established specific objectives, outcomes?

In the initial phase, 32 women were selected to participate (dictated by the number of available apartments for transitional housing) and the initial cohort are completing the program this spring. Most are already aligned with full-time employment upon graduation or with training in alternate fields of study, for those who found they were not well matched for a business career. As graduating participants move on to more permanent housing, new trainees will be selected.

Is it an investment with direct tangible returns or are these indirect?

There is a tangible benefit in generating a source of new entry-level employees – although business partners acknowledge that they could equally recruit on the open market – this is not a lower cost source – and may involve higher costs in terms of supervision and mentoring once on staff, due to lack of experience.

How does it impact the company's bottom line?

As above, this impact is indirect and unquantified, with the primary motive being one of contributing to a social cause and supporting a meaningful solution.

Over time has initiative expanded? Are there plans to continue this, expand this?

Homeward Bound is now expanding the housing and program, adding 45 new apartments and training places.

A critical part of Homeward Bound's success is matching the women in the program with the right jobs to ensure long-term, stable employment. Woodgreen has developed an Industry Council that is made up primarily of the key financial institutions who have agreed to provide employment opportunities to the women in the program.

Documentation/website

http://www.woodgreen.com/HomewardBound/index.html

Case Study #3: Destination Centre-Ville – Ambassador Montréal

Overview of initiative

Ambassador Montréal is a series of initiatives that focus on assisting the street homeless. The program seeks to reconnect street homeless persons with employment and thereby provide the means to afford housing. It provides employment in various activities related to cleaning the streets and public squares (litter in summer, as well as snow in winter). The key objective is to pro-actively engage homeless persons so that they are not simply loitering and deterring potential customers from area businesses.

Category of initiative

This is another good case of improvement of community safety and attractiveness, which will have immediate to long-term returns to business, via the improvement of the local business climate, along with benefits to the homeless community.

Initiator and partners and respective roles and level of investment

The initial idea was that of a street outreach program, started by the YMCA, with objective of addressing homelessness, and involved street monitoring and counselling/referrals. It evolved through the engagement of the downtown business community into a social enterprise initiative and is now entirely funded and run by the business association (over 8,000 businesses).

Informal partnerships with a number of area shelters link employees to counselling and housing referral. The shelters also refer individuals to the business association for employment.

Business motivation and basis for involvement

As suggested above, visible homelessness on the streets on the inner-city commercial area was a negative element and caused concerns about safety for customers, with negative impact on local business. The businesses are motivated to invest as a way to reduce or eliminate this negative influence and convert this to a positive, in the form of cleaner streets and squares, as well as enabling formerly homeless persons with minimal skills and employment experience to earn an income that in turn enables them to afford housing.

While sympathetic to the issue of homelessness, business partners (via the business association) did not set out to improve homelessness as much as they were concerned about how it impacted their business. Previously, the association had hired students to help maintain street and squares, but students were only available through summer months – the formerly homeless individuals are available for year-round employment.

Have they established specific objectives, outcomes?

The initiative has been in place since 1999, although, it has become more formalized in last three years. It employs 25-40 employees (varies by season) with an annual budget of $600,000, entirely funded by the business association. The wages are set at $1 above minimum wage and there is a graduated pay scale with increments commencing after three months. The group has found that individuals that get through first 15 days generally remain employed for 6-8 months.

With this work experience many have gone on to other work. The combination of housing referrals (through partner agencies) and sufficient wages to afford modest rents have also helped many move from shelters into their own housing.

Is it an investment with direct tangible returns?

The impact is indirect – it is unclear how the profits of either individual business or aggregate business revenues have improved since inception of the program. The business organization, however, continues to support this initiative with a significant level of funding.

How does it impact the company's bottom line?

There is no quantified financial impact, but it is expected that sales revenues will increase due to enhanced attractiveness of the business area to shoppers.

Over time has initiative expanded? Are there plans to continue this, expand this?

The initiative grew from approximately 6 individuals up to 25-40 today (seasonal) and has stabilized at this level.

Documentation/website

There is a website for the business association http://www.destinationcentreville.com/ but it is not specific to this initiative.

Case Study #4: Vancity

Overview of initiative

Vancity Credit is a long-established (60 years) credit union operating in Vancouver and the Lower Mainland, engaging in a range of activities supportive of the local community and business community, as well as "conventional" business lines. This includes flexible lending/financing programs for development of business and not-for-profit enterprises and flexible mortgage financing to assist households in entering the housing market.

Support for not-for-profit organizations is funded through an endowment funded by Vancity dividends, bequests and gifts.

Vancity Enterprises, a separate division of the organization, develops properties and housing in the area, with a substantial focus on developing affordable housing. This activity, however, is as yet peripheral to homelessness, and so is not a part of this case study.

Several specific initiatives of Vancity are particularly relevant for this study:

a) Springboard Mortgage Program

This program is the most purely business-based of the examples from Vancity.

Created three years ago, the program provides 100% mortgage financing for households who would otherwise not be able to access home ownership, particularly given the high cost of housing in the region.

Financing is available to households currently living in not-for-profit housing units, who have incomes that could support the required monthly mortgage payments if they could make a down payment. These households comprise roughly 10% of not-for-profit tenants in Metro Vancouver.

Prospective borrowers must have verifiable income, have paid their rent on time for at least two years, and complete a one-day home ownership readiness course.

Over a ten-year contract, the mortgagee pays principal only on the first 20% of the loan, and interest only, at the fixed rate of 2.8%, on the remaining 80% (effectively lowering monthly payments to more affordable level). At the end of ten years, the mortgagee obtains a regular mortgage.

In the end, the holder pays more than would be the case on a conventional mortgage (because the principal balance declines more slowly than with a normal blended payment). This results in a net profit for Vancity that is in excess of the rate of return on a conventional mortgage loan. The household has, however, been able to access home ownership and now has a stake in the appreciation of value. Essentially, the program shares the market appreciation between the lender and borrower, to the advantage of both.

This is offered mainly in the Fraser Valley at the moment, as property values in Vancouver render this difficult to finance.

Vancity representatives feel that this program offers an opportunity for government to lever funds in housing, by providing the 20% principal-only component as an interest-free loan to the household, thus incurring only the net present value of the interest forgone as a cost of assisting the household and freeing a unit of not-for-profit housing.

We should note that this example is somewhat peripheral to homelessness, except to the extent to which the most affordable not-for-profit housing stock is freed-up for those in deeper need.

b) The targeted loans fund

This fund is offered to investors who wish their money to be invested in the local community. Investments are made via low interest/favourable term loans to not-for-profit organizations and other community organizations. Investors receive a competitive rate of return. As a result, Vancity derives a lower profit margin relative to the risk/return profile of the investments than it would for strictly market-oriented loans.

Vancity, however, views this as brand-building, differentiating them from the banks, drawing customers to the organization, and over time, building the local community and economy, to the organization’s benefit.

c) Endowment funds

Vancity provides community groups with both financial support and advice. The core endowment fund, established in 1989 as a not-for-profit charitable organization, is supported by a share of the organization’s net profits, as well as donors' bequests and other gifts. Income generated each year is used to support not-for-profit organizations in B.C.'s Lower Mainland, Fraser Valley and Victoria region.

The endowment includes a number of donor designated Named Funds which are created by individuals or groups wishing to support specific causes. Vancity also acts as an agent for donors wishing to contribute to other charities, charging no administrative fees.

As is the case with the targeted loans fund, Vancity views this as supportive of the community and business climate overall, and thus ultimately good for business. Often, the community funding goes to affordable housing developments, which motivates City involvement, and ultimately lending opportunities for Vancity (and others).

Category of initiative

The Springboard mortgage program is an excellent example of a business opportunity, utilizing an available efficiency, with direct and immediate benefits to the business and to the community. This case is somewhat weakened in terms of its utility for this report as the community beneficiaries are people able to support mortgage payments (as distinct from existing homeless shelters) – but might indirectly help lower income households by freeing up existing social housing. The program, however, is structured so that this results in reduced pressure on the affordable non-profit housing stock, as clients must come from existing tenancy in that stock.

The targeted loans fund and endowment fund activities of Vancity are examples of overall longer-term development of the community/business environment, with deferred benefits to the private sector in terms of future business opportunities, with real, but diffuse and long-term benefits to the homeless community.

Initiator and partners and respective roles and level of investment

Vancity operates as a publicly-held private business in this area, and engages with the community as a funder, rather than in partnership arrangements.

The sales volume for Springboard is now $3.2 million, with 16 mortgages sold and 48 currently pre-approved.

Vancity currently has $3.4 million in loans under the targeted and shared growth loan programs, supporting affordable housing and community development.

Business motivation and basis for involvement

Vancity's mandate is expressed as follows:
"Using community economic development strategies, the Vancity Community Foundation acts as a catalyst for positive change in communities. By partnering with local organizations to support a community's capacity for development, we use grants, lending and technical assistance to support: Community Capacity; Community Change; and Community Well-Being.

As well, the Vancity Group of Companies continues to support social enterprise and the social economy through an integrated strategy including grants and loans…
…We believe that vibrant, healthy communities are built by everyone's efforts. Our focus is on creating self-reliance through encouraging affordable housing, employment development through job creation and not-for-profit enterprise, all of which builds a community rich in diversity and resources."

Vancity's approach is a fundamental business strategy. While arguably pursuing corporate social responsibility goals, Vancity representatives stress instead that the organization pursues a "triple bottom line as its objective, valuing economic/financial, social and environmental outcomes. Being required to deliver competitive market rates of returns on its capital, Vancity takes the strategic position that building the community builds business, customer support and long-term financial success for the organization.

Have they established specific objective, outcomes?

Vancity representatives stress that the returns from their community-building business model, and from individual initiatives related to this, are difficult to forecast. Vancity, however, empowers its managers to act on this model. In terms of formal business planning and reporting, the results of these activities are reported financially and otherwise in the company's triple bottom line.

Documentation/website
Summary information on Vancity's approach and activities can be found at www.vancity.com.

Case Study # 5: Women Building Futures, Edmonton

Overview of initiative (purpose, what is the initiative, how does it work, how long has it been in place, still ongoing?

WBF is a not-for-profit organization in Edmonton, which since 2003 has provided basic training in trades to women who are near or at risk of homelessness. The program provides a full range of supportive counselling services to its students, during and after their training and graduation, as well as housing during their training period.

WBF has received funding from federal and provincial government sources, but relies increasingly on sponsorship and material support from private businesses, who value the service that the organization provides.

Located in Edmonton, WBF supplies (principally) local oil and gas and construction companies with candidates ready for apprenticeship in most trades. The program boasts a success rate of over 90 percent in turning out graduates who are immediately employed as indentured apprentices.

WBF also developed an offshoot service entitled Fixit Chicks, which provides training to women from all backgrounds on home repair and building techniques. Profits from Fixit Chicks are used to offset WBF programming costs.

Category of initiative

This is an excellent case of a business opportunity/labour source initiative, with direct and immediate benefit to participating businesses, with correspondingly direct and immediate benefits to homeless persons, and secondly, as a case where businesses can be branded as being supportive and involved in the local community.

Initiator and partners and respective roles and level of investment

Women Building Futures was started as a not-for-profit charitable organization by women engaged in social work, to help women become able to obtain careers and exit poverty. Over time, as government funding was obtained and more students were involved, WBF attracted the interest of local businesses that needed skilled labour.

In the first several years, the organization received funding from Western Economic Diversification Canada, Status of Women Canada, the Province of Alberta and the City of Edmonton. Through an ongoing process of marketing and consultation with local businesses, the organization developed its training programs to suit market needs, and attracted private funding and support. Initial business contributions were in the form of equipment for training. Since then, major local sponsors/employers have contributed $1.5 million for an operating endowment, $1 million for a student bursary, and are negotiating with WBF on sponsorship terms under which they will underwrite an expanded training facility costing $12 million.

Considerable leverage of private resources are also obtained once a graduate begins apprenticeship, as the employer then provides training and advancement.

Business motivation and basis for involvement

WBF representatives report that the companies (this is a list that includes major multinational petrochemical and construction companies) have become involved because:

a) WBF provides them with graduates ready to assume trade apprenticeship duties, with known qualifications and abilities. This is valuable to firms in the "oil patch", who routinely have to seek skilled labour across all of Canada and abroad and must in addition undergo the process of "sifting" viable employees from others, representing significant costs.

b) They value association with this initiative, as a matter of image and branding.

Have they established specific objectives, outcomes that they wish to achieve?

The organization's objectives remain as they were at the beginning; however, the number of clients, from both the student and employee sides is expanding beyond initial expectations. WBF is expanding throughout northern and central Alberta and the Northwest Territories, and has been approached regarding expansion to other provinces.

Is it an investment with direct tangible returns or are these indirect? How does it impact the companies' bottom line?

This investment has direct and tangible returns in two ways:

a) Direct returns to employers in terms of reduced costs of locating viable employees for skilled apprenticeship positions, this being particularly significant in the northern Alberta labour market. WBF reports that it costs industry in northern Alberta $80,000 to $120,000 per employee to bring in temporary foreign workers, as they do extensively now. Costs of bringing people in from within Canada are less than this, but still involve significant travel and "living away" support costs.

b) Indirect benefits also accrue to industry sponsors from being associated with the initiative. This is not likely quantifiable.

Over time has initiative expanded? Are there plans to continue this, expand this?

WBF has graduated over 300 students so far. Their capacity, with the new training facility however, will be increased from 50 students at a time to 400. Moreover, companies and municipalities are now approaching them to recruit training candidates from across Canada and to establish training facilities in a number of locales. The organization is therefore in the position of having to plan for expansion.

WBF have a five-year plan to become financially sustainable at a level of private to public funding of approximately 70%/30%. This would involve a significant reduction in the current level of public funding relative to their operations than is now the case. WBF stresses that they could transform the organization to one requiring no public funding, however, this would involve compromise of their public service objectives. The planned target is seen as one which balances financial stability with these objectives.

Documentation/website

Information is available at www.womenbuildingfutures.com.

Case Study #6: Habitat for Humanity Toronto: "Adopt a Day Challenge"

Overview of initiative (purpose, what is the initiative, how does it work, how long has it been in place, still ongoing?

This is an initiative of Habitat for Humanity of Toronto since 2001. Habitat offers companies the opportunity to have their staff participate, in an organized manner, in Habitat building projects. The benefits to the private participants are human resources-related: team-building, staff satisfaction and thus enhanced staff attraction and retention. Habitat charges a fee of $165/participant/day for this activity, covering the costs of coordinating the activities.

Category of initiative

This is a mixed case of returns to specific businesses in motivating and retaining employees, achievement of general corporate social responsibility and consequent branding, with relatively immediate benefit to homeless/near homeless persons, to the extent that Habitat for Humanity's projects are related to homelessness. Habitat's activities tend to be focused on specific community improvement projects, which may not be specifically targeted to homelessness, but could often yield benefits in that respect.

Initiator and partners and respective roles and level of investment

Habitat for Humanity initiated this program, as they began to perceive:

a) a need for more help as the number of sites on which they planned to build grew;

b) an expressed desire to be involved from businesses that were becoming tired of the usual team building exercises.

Essentially, this is a business activity in support of a larger philanthropic enterprise. Businesses are involved as participants in Habitat's program, for a fee, rather than as investors.

Is it purely private or partnered with public and foundation founding?

In this case, Habitat for Humanity, a not-for-profit charitable organization, is charging what is essentially a market rate for an experience that they offer.

Business motivation and basis for involvement

The CEO of a large Toronto firm that participates in Adopt a Day reported that their motivations were twofold:

a) The CEO and management see homelessness as an important problem in Toronto, among others, and as a corporate approach, they wanted to do something. Habitat for Humanity was seen as doing a good job in the area, (the CEO had been on the Habitat for Humanity Board of Directors) giving the company assurance that their assistance would be effective.

The company donates and participates in a number of "causes" as decided by their Donations Committee, and they do not automatically engage in all initiatives each year, preferring to be guided by staff interest.

They favour approaches like that of Adopt a Day, however, as they feel that "getting people involved is better than writing cheques", in terms of effectiveness of the investment.

b) The company sees staff involvement in specific exercises like Adopt a Day as good for morale, internal networking, team building, and instilling pride and satisfaction in their work and affiliation to their employer.

Have they established specific objectives, outcomes?

Habitat report that they could expand this program, and even charge more than they do currently, but its size is primarily driven by the extent of their need for "help" in building projects.

Is it an investment with direct tangible returns or are these indirect?

According to Habitat for Humanity, the companies involved see this as a superior alternative to other human resources related team building and training offerings, at a competitive price. This can be regarded, from the business point of view, as a pure, or close to pure, business case. The Toronto CEO interviewed confirmed this value qualitatively, but indicated clearly that while they have an ongoing program of donating and participating in cause-related activities, they do not budget for any one activity, nor is there any specific allocation in their human resources department budget for this or other initiatives, per se, as training/development activities.

Documentation/Website:

More information can be found at www.habitat.org.

Case Study #7: Community Builders Benevolence Group (CBBG) – Best Practice in Market Housing

Overview of initiative

Community Builders Benevolence Group is a NGO group that has developed and manages an unsubsidized model of housing targeted to at-risk homeless clients in the Downtown Eastside of Vancouver in partnership with private benevolent investors. This involves a partnership of private benevolent investors contributing to fund acquisition of existing single room occupancy properties in Vancouver's downtown eastside.

From the business investment perspective, the private investors are motivated both by a desire to help address issues of homelessness but also expect a return on their investment in the form of capital appreciation in the asset that they own. Between 2001-2005 the investors purchased and renovated three existing rooming house properties. One property, a 68 bed facility was purchased for $1.5 million in 2004 and was upgraded with $500,000 in renovations. CBBG estimate the asset is now valued at between $3.0 to $3.5 million.

Category of initiative

Primarily social (philanthropic) with deferred returns to investors.

Initiator and partners and respective roles and level of investment

The investors are both investors and philanthropists motivated by a desire to help an important cause, in reducing homelessness. The investors own the asset, while engaging a third party to manage the day-to-day operations. They partnered with a retired Christian Minister who sold his family home and with his wife moved in to manage and operate the rooming house, drawing a widely as possible on both volunteer help from residents as well as employing some residents.

CBBG has also developed partnerships with a number of public and community partners (primarily health care) to deliver publicly funded services to tenants. These are augmented by additional services funded through funding raised by the group through soliciting charitable donations.

Business motivation and basis for Involvement

The model works as a result of a unique partnership between:

a. Benevolent passive investors that purchase facilities and help establish balanced operating budgets. The investors own the asset and will benefit from any appreciation, especially after leveraged borrowing is retired (properties are financed with 15- year loans, each requiring a personal covenant from the investors);
b. "Agenda-free" altruists (secular, not faith based) who seek to create a home for disadvantaged individuals and manage these facilities; and
c. Linking to community-based social service providers to deliver home-based treatment of untreated mental, physical and addiction issues and help initiate wellness promotion strategies. Public services are also augmented by some non-governmental organization supports and funded through charitable revenues.

The investors provided the capital to fund the purchase and renovation (including some leverage of mortgage financing). Rents are mainly based on incomes (under shelter allowance: $375 and residents can augment incomes by working (e.g., 24 hr front desk; janitorial etc). Rental revenues cover all operating expenses.

Specific objective and outcomes being pursued

The investors focus on improving the lives and outcomes of residents – reducing crime and prostitution. The property originally included a pub, which was initially operated by the non-profit operators with an emphasis on providing improved nutrition. It is now being converted from a pub to a commercial conference/meeting space for community groups and businesses as a way to add commercial revenues and strengthen ongoing viability.

Is it an investment with direct tangible returns or are these indirect?

The private investor returns are tangible but deferred – mainly in the form of capital appreciation. The appreciated value is an estimate and reflects alternative use of the property (redevelopment) as a capitalized income-based value would be constrained by the limited rent revenues from BC Benefits or low-wage incomes. There is also a sense that the area is gentrifying (e.g., former Woodward's site sold as market condominiums, mixed with social housing) which may further enhance property value.

How does it impact the companies/investor's bottom line?

As above, although not a prime motivator, the investment may generate a deferred return in the form of capital appreciation – until realized through sale of the asset there is no return (and, in theory if tangible equity can be determined there is potential to refinance and extract equity – although lenders and Canada Mortgage and Housing Corporation have tight restrictions on refinancing rooming house properties).

Over time has initiative expanded?

The investors have collectively purchased, renovated and transformed three properties (68 units).

Documentation/website

http://www.communitybuilders.ca/BestPracticeMarketHousing.htm