



Institute for
Community Prosperity

COMMUNITY INVESTMENT PROFILE

Vancity Community Foundation

Measuring True Value

Background

Industry: Financial

Company Founded: 1989

Headquarters: Vancouver

Legal Type: Public Foundation

Customer: N/A

Owned: Canadian Owned

Years dedicated to CI: 26 years

Region of focus: BC/Lower Mainland

Partners/ investees:

- The BC Association of Farmers' Markets
- Potluck Café Society
- EMBERS

Community Investment Strategy:

For more than 20 years, Vancity has been working with non-profits, social enterprises, and community organizations. Vancity is widely regarded as among the most forward-thinking and community oriented companies in Canada. A testament of this is the creation of Vancity Community Foundation (VCF).¹

Vancity Community Foundation is a public charity created in 1989 with an initial endowment of \$1 million from Vancity Credit Union. The Foundation's mission is to be a catalyst for change, enriching the community by supporting social enterprise and community-owned real estate.

Vancity Community Foundation operates separately from Vancity Credit Union, complete with a different board of directors. Although they are separate entities, VCF works as an arm of Vancity's community investment strategy. Staff from both organizations collaborate on different projects to maximize their impact in the community.

CI Dashboard: This dashboard is one way to illustrate how companies invest in community, providing a tool to compare across different company CI profiles. It is important to note that no category is privileged over another.

Geographic scope



CI staff ratio (Presented as percentage of total staff)

$$\frac{17}{17} = 100\%$$

Granting or sponsorship approach

Responsive | **Strategic**

CI responds to existing or emerging needs and opportunities articulated by the community

CI approach is intentional, driven by the company's interests and/or theory of change

Flexible | **Aligned**

CI is not tied to the company's core business

CI approach is integrated or in line with the company's core business

FOCUS Investment: Demonstrating Value

Issue One:

For most non-profits and social enterprises, financial sustainability is an elusive goal. The increased risk and low expected returns of certain social ventures can also cause some financial institution to be wary of investing. However, without initial financial support and mentorship, enterprises which may have been greatly beneficial to the community may never leave the start-up phase or reach their full potential.

Issue Two:

One of the greatest challenges for social enterprises is measuring and assessing their social impact. Financial statements can show if a company is making profit. However, it is more difficult to put social benefit on paper. To understand true value, both financial and social wellbeing must be considered. Vancity Community Foundation used to have difficulty assessing its social impact, relying mainly on funding reports from investees each of which measured their impact in different ways. At the same time, existing off-the-shelf valuation tools were either overly complicated or simplistic. Through a needs assessment, VCF discovered that assessing impact is in fact a widespread problem among social enterprises.

Solution 1: Finance and Mentorship

To ensure social enterprises reach their full potential, VCF is committed to providing high impact social ventures with mentorship and financial support. One of the ways VCF supports social enterprise is through the Portfolio Program. The Portfolio Program is a collaboration between Vancity and VCF, working with 8 to 10 social enterprises per year. The Program gives high impact social enterprises multi-year grants and mentoring to become financially sustainable and the tools to measure their success. Perhaps one of the most successful enterprises to take part in the program is EMBERS (Eastside Movement for Business & Economic Renewal Society). EMBERS is a Vancouver-based non-profit business providing employment and business advice to people facing employment barriers. Due partially to VCF's help through the Program, EMBERS won the 2013 Gold Trico Social EnterPrize award for excellence and leadership in social entrepreneurship across Canada.²

Solution 2: Impact, Evaluation, and Demonstrating Value

The team at VCF realized that if they could measure every facet of the Foundation's value, they could increase community investment and in turn give more back into the community. VCF decided to collaborate across sectors to fill the gap in social impact evaluation. Beginning in 2005, a team of Vancity Community Foundation staff, investors, and social entrepreneurs collaborated to create a tool useful to all sectors.³ Bryn Sadownik, one of the designers, wanted to create a tool completely unlike traditional impact evaluation, "There are default models and that's not always the best way".⁴ In 2009, the collaboration created Demonstrating Value, a toolset combining performance monitoring with social impact evaluation.⁵ Demonstrating Value is used within VCF to measure the impact and growth of its Portfolio Program grantees. The toolset helps social enterprises to be accountable to stakeholders and track progress. Staff at Demonstrating Value assists social entrepreneurs in customizing the resource for the needs and development stage of their enterprise. They also help collect data and create a two page snapshot showing key information and metrics in a visual dashboard format.

Endnotes

1. Vancity Community Foundation, "our history" Para. 2, Vancity Community Foundation, 2015, <http://vancitycommunityfoundation.ca/s/history.asp>.
2. Trico Charitable Foundation, "Announcing the 2013 Social EnterPrize Award Winners" Para. 1, Trico Community Foundation, October 4, 2013, <http://tricofoundation.ca/announcing-the-2013-social-enterprize-winners/>.
3. Bryn Sadownik (Program Manager, Evaluation & Community Impact, Vancity Community Foundation) interview by the author, June 10, 2015.
4. Sadownik, Interview.
5. Ibid.