

Taking Count: A social enterprise survey

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Introduction

This paper introduces a social enterprise survey in Canada that has been successfully conducted in three provinces and is becoming a baseline for similar surveys elsewhere in Canada. Surveys can provide valuable information to demonstrate the economic and social value, or impact, of the emergent social enterprise survey; at the same time, any survey is an act of definition, inclusion and exclusion, and so has the potential to misrepresent. Initiated as a community-university research partnership, this survey was developed and conducted with the explicit collaboration of established social enterprise networks and funders in the participating provinces.

As such, this social enterprise survey is seen as both a tool to foster the community of social enterprises as well as a vehicle to give substance to the presence, capacity, and impact of existing social enterprises. While three provinces, British Columbia, Alberta, and Manitoba will have been surveyed by the end of 2011, the results of the survey in British Columbia and Alberta will be profiled here for illustrative purposes. Definitional issues associated with social enterprises will be discussed, as will the administration of the survey itself and the purpose of

each section of the survey instrument. While the survey falls short of capturing every facet of what could be considered a social enterprise, we contend that there is considerable value to basing a survey on both a clear and concise definition of the sector, widely understood if fairly general impact indicators, and a practical and accessible survey instrument.

Staking a Claim: Defining social enterprise

Social enterprise is currently as much a contextual as it is a legal construct and varies both within and across countries. In Canada, social enterprises are differentiated from social purpose businesses by organizational form. This narrower definition, based on the nonprofit form, is distinct from the broader definition that includes both non-profit and for-profit social purpose organizations. These two versions are contested as much for definitional supremacy as they are for bragging rights over which version produces the largest population of social enterprises. We committed ourselves to utilize a definition of social enterprise that was clear, independently verifiable, classifiable, and applicable for survey purposes.

Thus the operational definition of a social enterprise chosen for this survey was, “a business venture, owned or operated by a non-profit organization that sells goods or provides services in the market for the purpose of creating a blended return on investment; financial, social, environmental, and cultural”. This definition excludes other important organizations in the social and solidarity economy, including institutional non-profits such as universities and

hospitals, most co-operatives, voluntary associations and societies, as well as non-enterprise charities and non-profits.

The Survey

This is the first survey method specifically designed to map the location, purpose, and operations of social enterprises in three Canadian provinces. We surveyed social enterprises in British Columbia and Alberta in the spring of 2010 and in Manitoba in spring of the 2011, with the goal of developing clear indicators of their nature, scope and socio-economic contribution. Indicators of socio-economic contribution included sales and revenue, expenditures, employment, volunteer engagement, and clients served and trained. The respondents were asked to report on their 2009 year-end financial period.

Project implementation was conducted in three phases. In phase one, the structure and content of the mapping instrument was developed and tested. Existing social economy networks were also identified and invited to contribute names and contact information to the survey sample frame, and in turn, would benefit from its results. In phase two, the survey was circulated to all social enterprises on the sample frame to achieve a large and fully representative probability sample of social enterprises in the three provinces. Data was subsequently collected for cleaning, entry, and analysis. Phase three involved the circulation of the survey results to social enterprise-related networks in both provinces through both participant feedback and de-briefing workshops.

Methodology

Given the objectives of the study – to generate widely intelligible and comparable quantitative indicators of the impact of social enterprise activity in British Columbia, Alberta, and Manitoba, while recognizing its emergent character – we opted for a sample survey method using a short and highly standardized questionnaire, designed for easy completion and return in order to achieve a high response rate.

The questionnaire

The questionnaire was developed and piloted by students in Peter Hall's 2009 Leadership in Sustainable Community Development course at Simon Fraser University (SDC 403, 2009). The questionnaire was further refined by the research team to deal with problems from the student survey (e.g., legal structure was clarified; the set of sector definitions was expanded), to ensure comparability between this survey and other secondary sources and to also meet newly identified specific needs (e.g. sources and uses of grant financing). However, the basic structure and length of the tested and proven questionnaire was retained. We have subsequently encouraged other social enterprise surveyors to use the same data fields for comparative purposes, with the intent, over time, of creating a national social enterprise profile.

The questionnaire / survey instrument consists of 5 parts:

PART A

The initial portion of the survey was completed by the survey administrator and verified the identification of the person, organization, and the location and contact information of the person who completed the survey; date of completion; form of response (e.g. in person,

telephone interview, self-completion); informed consent information; and contact information for the principal investigators and human research ethics board administrators.

PART B

The first series of questions (1-7) were designed to capture the primary purpose of the social enterprise and their organizational and operational characteristics. A number of questions (e.g. question 4) were designed to verify the status of the social enterprise in relation to the operational definition. Demographic information and postal codes were later used to develop a GIS map of both identified and responding social enterprises.

PART C

The next question (8) was designed to identify the nature of the goods and services sold by the social enterprise. The list of options was generated from known social enterprise business sectors, as well as Marie Bouchard's broader and comprehensive classification of social economy organizations (Bouchard, Ferraton, Michaud, & Rousselière, 2008). Note that the list of sectors provided to respondents thus includes some redundancy; for example, day care is an activity within the broader sector, personal services. We believe that this question assisted respondent recall and generated usable information to sector intermediaries, while post-coding allowed us to create a widely accepted sectoral description (see Table 2, below).

PART D

The next questions moved from the broad classification of goods and services to the more specific area of human resources: the individuals that the social enterprise trained, employed or to whom they provided services. Question 9.1 asks respondents to quantify this relationship. Respondents were asked to identify paid staff and volunteers as well as seasonal and full time paid and unpaid worker. Part time workers were classified as those who worked less than 30 hours and week, while volunteers were separated in to those that worked more or less than 10 hours per month.

PART E

The final part of the questionnaire dealt with financial information. While more questions in this regard could certainly have been posed, we deliberately struck a balance between capturing the most relevant financial information and delving into operational details that would have created a real barrier to successful survey completion. As it turned out, this data became a rich source of information and while some respondents needed additional time to retrieve the information, 75% of responding social enterprises provided answers to all the financial questions. Furthermore, it was possible to determine whether total revenue exceeded total expenses for 83.6% of respondents.

Sample Frame

Table 1: Survey Response

	Listed Organizations	Confirmed Organizations	Social Enterprises
Initial list of potential social enterprises	382		
Not contactable (following several tries)	38		
Contacted, not a social enterprise	53		
Contacted, no longer a social enterprise	2		
Contacted but provided no information	5		
Confirmed list of social enterprise organizations	284	284	
Contacted, refused to participate		26	
Contacted, sent a questionnaire, no response		123	
Responding organizations/social enterprises *		135	140
Estimated number of actual social enterprises accounting for multiple enterprises per listed organization			295
Net response rate			47.5%

* The 135 responding organizations represent 140 social enterprises.

Survey Findings

Age

The mean age of social enterprises in BC was fifteen years and twenty-four years in Alberta.

Organizations began selling operations shortly after they were founded (an average of about two-and-half years later), though this did vary depending on the enterprise. The oldest social enterprise in Alberta was formed in 1914 and the newest was formed in 2010. In BC, the oldest social enterprise was founded in 1950 and the most recent respondent will be formally launched in 2011.

Purpose & Mission

Social enterprises in Alberta and British Columbia reflect a number of non-exclusive purposes.

Eight (22%) Alberta social enterprises focused on employment and related activities while 51 (51%) of social enterprises in BC had a similar focus. Thirty-nine percent in Alberta and 47 percent of social enterprises in BC generated income for their parent organization. The highest percentage of social enterprises in both provinces (92% in AB/ 71% in BC) described themselves as having a social mission while 25% of social enterprises in AB and 35% in BC had a cultural mission. Environmental activities were pursued by 22% social enterprises in AB and 38% in BC.

Members

Responses to questions about the number of members associated with a social enterprise revealed that Alberta social enterprises had an average of 108 members and BC social enterprises had an average of 241. A total of 3,978 members of social enterprises were

reported in Alberta and 23, 892 in BC. Alberta social enterprises reported a membership base that ranged from zero to 750; whereas, in BC the range was from zero to 8,000.

Corporate structure

Nearly all social enterprises were registered as nonprofit organizations. Concurrently, more than 50 % of social enterprises in both provinces had a membership base; and a similar percentage was registered as a charity. The highest percentage of social enterprises provided support to immediate neighbourhoods (60% in AB; 76% in BC) and the proximal city or town (81% in AB; 87% in BC).

Table 2 Legal Structure

	Alberta	British Columbia	Both Provinces
Legal structure (percent of social enterprises):			
Non-profit legal structure	94.6%	78.6%	82.9%
Registered charity	54.1%	51.0%	51.8%

Industry sector

When evaluated by industry sector, most social enterprises operate across multi-sectors and multi-populations). Social enterprises involved in accommodation, food and tourism are common as are those in trade and finance, resources, production and construction, and arts, culture and communication.

Service profile

As part of their mission, social enterprises will often train, employ or provide services to designated demographic groups. Table 3 profiles this investment as a percentage of all social enterprises. The categories and percentages are not mutually exclusive. A wide variety of groups are served by social enterprises. The highest percentage of groups served, although social enterprises

are open to everyone in the community, are low-income individuals, people with mental disabilities, people experiencing employment barriers, women and youth.

Table 3: Percentage of social enterprises that train, employ or serve each demographic group as part of their mission

Target groups (percent of social enterprises):	Alberta	British Columbia	Both Provinces
All the people living in a particular place / community	45.9%	47.5%	47.1%
Aboriginal / Indigenous people	32.4%	41.6%	39.1%
Children	18.9%	24.8%	23.2%
Ethnic minority	21.6%	30.7%	28.3%
Families	21.6%	30.7%	28.3%
Homeless people	21.6%	19.8%	20.3%
Immigrants	24.3%	26.7%	26.1%
Men	32.4%	34.7%	34.1%
Lower income individuals	43.2%	48.5%	47.1%
People with mental disabilities	43.2%	38.6%	39.9%
People with employment barriers	32.4%	48.5%	44.2%
People with physical disabilities	32.4%	26.7%	28.3%
Refugees	18.9%	14.9%	15.9%
Senior / aged / elderly	35.1%	36.6%	36.2%
Women	27.0%	46.5%	41.3%
Youth / Young adults	40.5%	42.6%	42.0%
Non-profits, co-ops, social enterprises (intermediaries)	10.8%	5.9%	7.2%

People Trained

In 2009, the year respondents were asked to report on, a total of 11,670 people were trained by social enterprises; 1,216 in Alberta and 10, 454 in British Columbia (AB range = 0 – 250 / BC range = 0 - 2,000).

People Employed

Social enterprises engage members, volunteers, employees, and those that could be designated as special needs employees. Social enterprises provide meaning and dignity for marginalized individuals or those with a disability through work. While the social enterprise may be subsidized by the public sector, these individuals also earn wages as an employee. Often the subsidy funds are allocated to training and special supports. This particular phenomenon within social enterprises complicates the task of enumerating employment figures than otherwise would be the case.

Table 4: Members, paid workers, and volunteers

Demographic profile	Alberta	British Columbia	Both Provinces
Members: average in 2009	107.5	241.3	204.9
Trained: average for 2009	38.0	106.7	89.8
Employed (from target group): average for 2009	23.8	20.2	21.1
Served: average for 2009	10537.9	3828.8	5519.7
FTEs: average in 2009	29.8	9.4	14.7
Volunteers (full-and part-time): average in 2009	52.7	48.8	49.8

Note that our employment numbers are conservative regarding estimation of impact of social enterprise activity. For example, some marketing and cooperative social enterprises that work with, for example, small-scale farmers, refugees, street vendors, to ensure that they receive market access and fair trade prices for their product are recorded as receiving services (i.e., marketing, distribution, technical advice) and working as ‘contractees’ but are not recorded as employees. Many of these people would not be receiving an income without the activity of the social enterprise, but to call them employees in the standard sense is also not accurate. Where social enterprises place members of designated groups in employment, these individuals may

be counted as FTEs or as contract workers, as appropriate. Somewhat balancing this underestimation is that in a limited number of other cases, the ‘employed’ from designated groups are counted as ‘unpaid volunteers’.

Not only are employment opportunities created for members of designated social groups, social enterprises are also important direct employers (See Table 5). Social enterprises staff are often members of the designated or special needs groups, but not always. Social enterprises have full-time, part-time and seasonal employees. In the survey we asked respondents to estimate Full-Time Equivalent positions created, and estimated a number for those respondents who did not provide their own.

Social enterprises also created employment for contract workers. Once again, these individuals may be members of designated groups, especially when the social enterprise is involved in marketing the products of independent producers who are classified as contractors. Likewise, the volunteer category includes persons engaged in traditional charitable activity, as well as members of designated groups who volunteer to support the SEs that provide them with services (especially common amongst SEs with a strong employment-training and linkage aspect in their mission).

Table 5: Employment (AB and BC)

Employment	Alberta	British Columbia	Total (AB+BC)
Number	(Mean) Range	(Mean) Range	
Members of designated groups employed in 2009	(23.8) 0 - 350	(20.2) 0 - 245	(763+1,938) = 2,701

Full time (work 30+ hrs per week)	(22.6) 0 – 294	(5.4) 0 - 50	(814+549) = 1,363
Part time (work <30 hrs per week)	(11.6) 0 – 136	(6.6) 0 -150	(418+662) = 1,080
Seasonal	(4.3) 0 - 100	(3.7) 0- 125	(156+366) = 522
FTE (estimate)	(29.8) 0 - 350	(9.4) 0 – 117.5	(1,072+946) = 2,018
Contract	(3.2) 0 - 53	(14.6) 0 - 250	(116+1,414) = 1,530
Volunteer (full- and part-time)	(52.7) 0 - 600	(48.8) 0 - 800	(1,897+4,878) = 6,775

The total number of associated volunteers in Alberta was 1,897 and 4,878 in BC. Volunteers who worked more than 10 hours a month comprised 44% of all volunteers in Alberta and 43% in BC.

A total of 2,701 people or 60% of the 4,500 full-time, part-time, seasonally, or on contract employees in social enterprises in AB and BC are employed members of designated social groups, as reflected in the mission of the social enterprise. The surveyed social enterprises were responsible for 1,363 full-time and 1,080 part-time positions as well as 522 seasonal positions. The number of full-time positions was higher in AB, although the number of social enterprises in BC is three times that of AB. The number of full and part-time volunteers in social enterprises in BC was more than twice the number of AB.

Financial profile

Profitable vs not profitable

Noting again that the concept of ‘profitability’ is not always useful when discussing social enterprises, though financial self-sustainability is, we report here that very little difference exists between the profitable and the not profitable groups. This analysis was also limited, both by sample size and due to the dearth of prior financial records. We cannot account for SE that balance revenues and expense over several years, since we effectively had access to income statement, not balance sheet, information.

Table 5: Financial profile

Financial profile	Alberta	British Columbia	Both Provinces
Total expenditure: average in 2009 *	\$1,966,104	\$479,096	\$932,279
Total wages and salaries: average in 2009 *	\$1,254,618	\$262,582	\$564,917
Total revenue: average in 2009 *	\$2,083,098	\$536,232	\$1,007,658
Revenue from sales of goods and services: average 2009 *	\$1,544,869	\$380,223	\$735,163
Revenue from grants, loans, donations: average 2009 *	\$490,740	\$103,701	\$221,656
Revenue exceeds expenses in 2009: percent	72.7%	74.7%	74.1%
Sales as percent of revenue: average per organization 2009 *	51.7%	68.8%	63.6%
Revenue less grants/loans/donations exceeds expenses in 2009: percent	24.2%	32.1%	29.8%

* only respondents with complete financial data (n=105)

Sources of Finance

Government is the primary source of financing for social enterprises, followed by individuals and foundations (see Table 6). The greater access of social enterprises in BC to Credit Unions is also noteworthy as it could represent an untapped source of financing for social enterprises in Alberta.

Table 6: Sources and purpose of financing

Sources of finance (percent of social enterprises):	Alberta	British Columbia	Both Provinces
Foundations	42.9%	42.7%	42.7%
Government	68.6%	46.9%	52.7%
Private individuals, philanthropists, donors	54.3%	49.0%	50.4%
Bank	2.9%	5.2%	4.6%
Credit Union	5.7%	26.0%	20.6%
Community Futures	8.6%	1.0%	3.1%
Purpose of finance (percent of social enterprises):			
Technical assistance grants	25.7%	39.6%	35.9%
Operation grants	77.1%	58.3%	63.4%
Long-term loans / equity	0.0%	5.3%	3.8%
Short-term loans	0.0%	4.2%	3.1%

Conclusion

This survey represents an initial profile of social enterprises in BC and Alberta. Social enterprises work in communities to fulfill training, income, social, cultural, and environmental missions. In this study, a social enterprise was defined as a business venture owned or operated by a non-profit organization that either sells goods, or provides services in the market, for the primary purpose of creating a blended return on investment, financial and social/ environmental/ cultural. A further selection criterion was that the social enterprise must, when possible, be independently verified as a social enterprise. In 2009, the 140 social enterprises that responded to the survey generated at least \$113 million in revenues, including at least \$78 million in sales. They paid \$63 million in wages and salaries to almost 4,500 people, of whom 2,700 were employed as a mandate of the mission of the organization. They also trained 11,670 people, provided services to over 678,000, and involved 6,780 volunteers.

While it is technically possible to separate financial from and social, cultural or environmental achievements, this survey verifies that the relationship between money and mission for social enterprises is complex and easily diminished by dissection. Social enterprises may earn a profit, but this profit is only one facet of what is a continuous reinvestment in the integrated achievement of social, employment, cultural, and environmental purposes designed to benefit the social enterprise and society-at-large.

The statistics, charts, and tables profiled in this article graphically illustrate the power of a survey that took less than thirty minutes to complete and was able to achieve almost a fifty

percent response rate. The practical nature of the survey was such that data was easily verified and collated. We are hopeful that for those that accept the definition incorporated in this social enterprise survey that it will become a baseline for additional surveys across Canada and elsewhere. **References**

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