

A black and white photograph of a young woman with long dark hair, wearing safety glasses and a patterned headband. She is smiling and looking towards the camera. The background is a workshop with various tools and equipment.

**An Opportunity to Maximize the
Impact of Social Purpose
Organizations**

**Submission to: The House of Commons Standing Committee on Finance
2016 Federal Budget**

Building a stronger, more inclusive Canada

All Canadians should have access to the tools and opportunities they need to succeed. LIFT Philanthropy Partners believes investments that support good health, quality education, and access to skills development and employment will help to build a stronger Canada.

Canada is a great nation, yet it can be even better. We, as a country, celebrate our diversity; however, many people are being left behind. Central to our country's success is equipping the struggling middle class, and those who are working hard to join it, with the tools they need to build better lives. We need to ensure everyone, including vulnerable and at-risk Canadians, has an equal opportunity for success. By empowering Canadians to succeed, we can help them believe in the power of their own futures.

Public investment is needed to improve economic growth, job creation, and access to education and healthy living supports for Canadians. However, the Government of Canada cannot do this alone. Effective partnerships, a strong social sector, and innovative models are needed to deliver real, meaningful social change. LIFT offers an effective solution to entrenched social challenges facing Canadians.

The need for an effective social sector

Governments need social purpose organizations, such as non-profits, charities and social enterprises, to assist them in implementing government priorities. However, they are not getting the results quickly or widespread enough to make a real, lasting difference. These organizations are often ineffective at achieving public policy goals, or they are failing to meet the growing demands of their donors and program recipients.

Moreover, the non-profit sector is experiencing a growing demand from investors for accountability and measureable outcomes, as well as a focus on pay-for-performance investments. Social purpose organizations cannot rely on good intentions alone; they are encountering a need to professionalize by adopting the tools and practices of business, particularly with regards to accountability, governance, innovation, and use of technology. In order to develop social purpose organizations that are ready for greater impact and more innovative forms of social investment, the Government of Canada should invest in building these organizations' capacity.

The Government of Canada has a significant interest in ensuring that social purpose organizations are more effective, deliver real change for more Canadians, and are able to measure outcomes and communicate progress. This is where LIFT comes in. LIFT partners with social purpose organizations with the highest potential for social impact and builds them up, so they become stronger partners for both government and the private sector; and ultimately, they become game-changers for Canadian society.

The venture philanthropy solution

Essential to Canada's success is ensuring all Canadians can build better lives for themselves and for future generations. In order to build a stronger Canada, vulnerable and at-risk Canadians need access to good health, quality education, and skills development and employment opportunities. LIFT's venture philanthropy approach offers an innovative, collaborative way for the Government of Canada to partner with the private and non-profit sectors to deliver meaningful social impact for these Canadians.

The Government of Canada can partner with LIFT to build a stronger, more effective non-profit sector with organizations capable of delivering widespread change in Canada. Such a partnership would focus on the application of venture philanthropy to organizations that are removing barriers to skills training, employment, education and health for vulnerable Canadians struggling to enter the middle class, such as at-risk youth, newcomers, Aboriginal peoples, and those with disabilities or mental health challenges. This partnership will drive social impact horizontally across strategic areas of multiple ministries, including Families, Children and Social Development; Employment, Workforce Development and Labour; Innovation, Science and Economic Development; Indigenous and Northern Affairs; Sport and Persons with Disabilities; Intergovernmental Affairs and Youth; Health; Finance and others.

LIFT is a national non-profit organization, based in British Columbia, that has a strong track record of success in increasing the effectiveness and impact of non-profits, charities and social enterprises that build better lives for vulnerable and at-risk Canadians. LIFT achieves this by applying a venture philanthropy approach: concepts

and techniques of venture capital investing, including hands-on management support, strategic funding and pro bono business expertise. Combined, this approach yields measurable increases in social impact.

LIFT's methodology centres on evidence-based decision-making and proven outcomes. It conducts a rigorous assessment of social purpose organizations. The organizations LIFT selects are established and poised for growth, but can benefit from support beyond funding to scale their impact, and become more effective and sustainable. LIFT leverages investors' financial contributions with value-added expertise from the LIFT team and its pro bono partner network of leading businesses and experts, including KPMG LLP, Blake, Cassels & Graydon LLP, NATIONAL Public Relations, Boyden, Cisco and others. With each investment, LIFT provides strategic funding to meet specific needs of the organizations, such as technology, human resources, financial tools and other areas, in order to improve their operations and effectiveness.

With a Government of Canada partnership, LIFT would professionalize and scale the organizations' operations to enhance their efficiency, effectiveness and transparency, thereby helping the government to maximize delivery on its social policy priorities. LIFT would share the best practices it has developed over years of successful investing in social purpose organizations, help these organizations measure their social impact, and develop communications to demonstrate their results to the public. These organizations would become a national network of social sector leaders that, together, could deliver greater collective impact for Canadians, and share lessons and resources to benefit other organizations across the country.

Track record of success

LIFT's portfolio includes social purpose organizations located across Canada, including British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario. LIFT is in the late stages of evaluating additional organizations across the country, including Quebec.

LIFT incorporates measurement and accountability into each of its investments using an impact measurement framework, which was developed in partnership with KPMG LLP and other pro bono partners. This framework includes measurements of LIFT's impact on the effectiveness of social purpose organizations; the increase in the social purpose organizations' operational capabilities and capacity; and the increased impact on Canadians' health, education, skills development and employment outcomes. The framework enables the social purpose organizations to refine their growth and operational strategies, develop robust reporting, and improve accountability to investors. The framework also enables LIFT to report on its collective impact with the social purpose organizations.

LIFT has achieved significant success with its venture philanthropy approach to date. A selection of its success stories include:

- Women Building Futures, which is based in Alberta, trains unemployed and under-employed women for careers in the construction industry. Since working with LIFT, the organization has secured more than \$3.6 million in new funding and expanded its program to engage 450 per cent more women than in previous years. Women participating in the program see their incomes increase by 127 per cent after completion of training. With LIFT's support, the organization is developing a technology platform that will enable it to offer its program to woman across the country.
- JUMP Math is an Ontario-based math education program for students in grades 1-8. Since working with LIFT, it has achieved a 35 per cent increase in student participation and a 20 per cent increase in revenue. For the children involved in the program, their math knowledge grew at twice the rate of children using other programs. JUMP Math also has a successful Aboriginal outreach and community support program. In 2013-14, approximately 7,000 Aboriginal students participated in JUMP Math in both on-reserve and urban schools.
- Furniture Bank is an Ontario-based non-profit organization that offers training and employment in its furniture warehouse and delivery service that provides gently used housewares for families in need. LIFT's initial work, done in partnership with KPMG, has identified an opportunity to increase operational efficiency and serve 40 per cent more clients, which will lead to increased revenue from its social enterprise, and greater numbers of people receiving job training and employment in its operations.

- Take a Hike Youth at Risk Foundation is a British Columbia-based organization that offers adventure-based education and therapy to support at-risk youth to complete high school. With LIFT's support, the organization expanded its program to three B.C. communities and is poised for national expansion.

In addition to its direct work with social purpose organizations across Canada, LIFT broadened its impact in 2014-15 when it developed and delivered a national health innovation program, The Play Exchange, for the Public Health Agency of Canada, in partnership with CBC and Canadian Tire.

International perspectives

Venture philanthropy is a proven concept and governments around the world have been partnering with venture philanthropy organizations similar to LIFT to drive large-scale change in their countries. LIFT is part of a best practices alliance with three leading venture philanthropy organizations: New Profit, Inc. in the United States; Impetus-The Private Equity Foundation in the United Kingdom; and Social Ventures Australia.

These three organizations demonstrate how governments can successfully leverage venture philanthropy to deliver effective, sustainable social impact on a national scale. New Profit, for example, was instrumental in supporting U.S. President Barack Obama's social innovation agenda. Building on the international successes of these venture philanthropy organizations, there is significant potential for the Government of Canada and LIFT to partner to deliver real results for Canadians by making social purpose organizations and the non-profit sector stronger, capable of increased impact, and ready for further, innovative forms of social investment.

Real, lasting change in Canada

In the face of challenging economic times and demanding social needs, Canadians need solutions that deliver tangible social impact. Canada needs to address the pressing health, education, skills development and employment challenges facing people across the country. Now is the time for the Government of Canada to be strategic and bold in its efforts to build a stronger Canada.

LIFT's venture philanthropy approach works. It has demonstrated success across Canada, and is ready to be replicated on a larger scale. A Government of Canada partnership with LIFT will build on this track record of impact to create real, lasting change for Canadians.

Contact

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