Emerging
Social Finance Education Values

by

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ABSTRACT

Over the past decade, there has been increasing discussion on the role of social finance to help assist with the redistribution of capital for social purpose businesses. Concepts such as triple bottom line (environment, social, financial) and SIB (Social Impact Bonds) have become commonplace. The sector is largely known as impact investing with a growing market potential. Its three key components are: supply of capital, demand for capital and intermediaries. Governments by default are chief intermediaries. Non-profit and for-profit businesses exist across a "blended returns" spectrum that are aligned well with traditional financing - when understood. This research project addresses the emerging social finance education challenges and opportunity gaps. It reviews the history (e.g. social economy) where social finance emerged from and observed traditional market shifts to hybrid models consideration. More importantly, it also looks through a social finance education and training lens of shared-value proposition.

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1. INTRODUCTION

The province of Ontario is Canada's most populous province accounting for nearly 39% of Canadians (Statistics Canada, 2014) and substantial resources in - fresh water lakes, farming, forestry and mining. The Ring of Fire (a mineral resources-rich area approximately 5,120 km located in the James bay Lowland region of Northern Ontario) is estimated, that in its first 10 year, can generate $9.4 billion in Gross Domestic Product (GDP) (Ontario Chamber of Commerce, 2014). Culturally, Ontario is projected to draw the most newcomers to Canada between now and up to 2026, fostering a unique cultural diverse population (Centre of Excellence for Research on Immigration and Settlement, 2009), and economically, the Toronto, Ontario region is the third largest North American financial services centre after New York and Chicago, based on direct employment (Toronto Financial Services Alliance, 2001). However, when employment falls short of reaching Ontario's citizen government programs such as social assistance, education job training, and drop-in shelters become essential for individuals and community survival. With government cut backs and increasing fiscal pressures on Non-profits, social enterprises and other community services agencies to do more, social financing has gain much attention. Since the mid-2000s social finance has been an emerging concept encompassing: 1) social values, 2) environmental sustainability values and 3) traditional economic values. In 2010, the Ontario provincial government started to adopt some of these concepts within the Ontario social enterprise strategy (Impact: A Social Enterprise Strategy for Ontario: For a strong economy and a fair society, 2013). A main objective is to support the social economy movement and to help transform Ontario into a preferred destination to do social business.

What is the definition of social finance?

I particularly liked the Credit union Central of Canada's definition because it is accompanied by a useful diagram of social finance terms (figure 1).

Figure 1: Social Finance Terms
Source: Systembrief Social finance and credit unions (Biron-Bordeleau, 2013).

> "…social finance should be understood as an approach to managing money that delivers both positive social and/or environmental benefits as well as a financial return. As such, it is an umbrella term for associated concepts like impact investing, socially responsible investing (i.e. ethical investing) and micro-lending. These concepts are mechanisms through which the principles of social finance can be applied" (Biron-Bordeleau, 2013, p. 2).

Here definition is comprehensively useful. Here is a second definition from the Human Resources and Skills Development Canada.

> "Social finance is an approach to mobilizing multiple sources of capital that delivers a social dividend and an economic return in the achievement of social and environmental goals" (Human Resources and Skill Development Canada, Harnessing the Power of Social Finance, 2013).

The above definition speaks to mobilizing multiple capitals to deliver environmental and social good, as well as an economical dividend, which is similar to Biron-Bordeleau's definition. Biron-Bordeleau's terms are also useful to understand the various types of social finance practices. The following is an example of social finance from the Canadian Task Force on Social Finance:

> The Regent Park Revitalization Project (downtown Toronto, Ontario) is an ambitious plan to provide over 6,000 mixed-income housing units, partly financed by $450M worth of market-rate bonds sold to provincial governments, pension funds and institutional investors (Canadian Task Force on Social Finance, 2010).

The Regent Park area was primarily a low-income renting community before this specific project. This example illustrates how social finance can bring together investors (private institutional investors, governments and funds) as an effective strategy through market-rate bonds to create access to affordable housing. Health, energy, food, farming, financial products, and education in particular, are other market segments where social finance is connected to our systems. In this sense, social finance seems to have the potential to fill the needs of the less fortunate, particularly when pooling (or collaborating) different resources despite their different market segment or values. If we think on the differences between an investment banks' significant amount of monetary values versus the value that a food bank generates (to citizens: regular line up for food tor survival), we can start to image their differences, as well as similarities, and how we might see social finance, impact-investing unfolding. However, social finance must not be mistaken as government handouts. For this reason, as well as the newness and complexity of the emerging social finance market (e.g. impact investing), a contextual definition and understanding was further necessary. A few reports from the MaRS Centre for Social Impact Investing helped to sharpen the definition of social finance for this research project. The MaRS Centre sees social finance as a movement that allows it to play a catalectic role.

> "That's where impact investing comes in — placing private capital into investments that deliver public good. The State of the Nation report is an

> important resource for understanding how impact investing is evolving in Canada…" — Sandra Odendahl, Director of Corporate Sustainability and Head of the RBC Social Finance Initiative, Royal Bank of Canada (MaRS & Purpose Capital, State of the Nation Impact Investing in Canada, 2013, pg. 4).

Placing private capital into investments that deliver public good is a useful way to define the connection of impact investing to social finance. But Biron-Bordeleau also described, "impact investments into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return" (Biron-Bordeleau, 2013 pg. 3). So measurement is central here too, which requires further context to help establish a working definition.

The State of the Nation Impact Investing in Canada (2013) report, by MaRS and Purpose Capital, a known private consultant firm, also informed my understanding of the three key components of social finance: (1) suppliers of capital (2) demand for capital, and (3) intermediaries. I found this useful because of the reference to traditional economic market structures - i.e. supply and demand as an accessible framework to better understand social finance potential in relations to our already established, traditional investment financial market structures. This context is important to situate both "social finance" and "impact-investing" in order to appreciate social finance as a new sector. This was the scope and focus of social finance, through impact investing, as a driver of social finance, that this research utilized.

With this understanding of the emerging social finance context a recent JP Morgan's report titled "Perspectives on Progress: the Impact Investor Survey," estimated the current global market at $9 billion and that by 2020, this number will be between $400 billion - $trillion (Tansey, Svedova, Cuyegkeng, 2014). In addition, a survey of 150 organizations in Ontario revealed an estimated $90M of demand – $40M from for-profit social purpose businesses and $48M from non-profit social enterprises (Canada Task Force on Social Finance, 2010). The survey also estimated that, due to the newness of the market, bridging the supply and demand gap will not only take time to, but it will be a challenge because of the required combine technical financial skills and social enterprise expertise as a unique blend of – *Social Finance Education*, which is the focus of this research. Social finance education therefore covers a wide spectrum of values best described by what Michael Porter calls a "shared-value proposition" (Porter & Kramer, 2011) to the benefit of all in society. Porter further describes shared values as social value, similar to that of corporate social responsibility (CSR) activities, involving charity work and donations. But negotiating different types of values can be quite complex. For example, there is volunteer work, which has significant value to the non-profit sector. Often, this type of value is not seen or accounted for correctly in the corporate setting. There is also monetary value (cash is king) and further still, there are intangible values (education) that are intrinsically linked to careers, markets, and return on investments. Therefore understanding how to measure social value is also important.

Thesis Statement

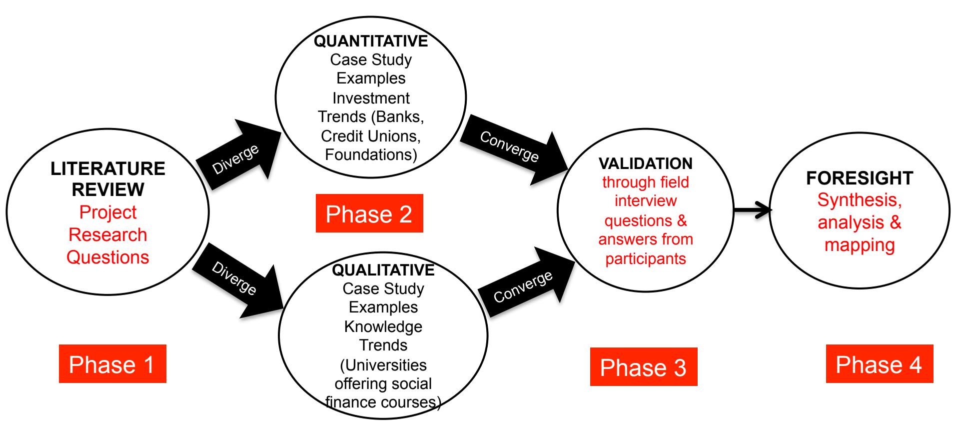
What are the underpinning values of social finance that can drive sustainable economic growth in Ontario? A reimaging of our financial and education institutions is essential to understanding the long-term view of this question. Over the past decade, the social finance impact investing market has been having a notable effect on the traditional financial market. But as the impact investing market increases, in order for the social finance market to mature and become sustainable, social finance education must also increase in value for the sector. *This research project investigated the claim that there is a "shared-value proposition" (Porter & Kramer, 2011) through an emerging Social Finance Education sector for both social finance and traditional finance markets.* The study tried to identify social finance education challenges and opportunities by conducting a social financial literature review, field study interviews, and by looking at industry and institution case examples. Identifying opportunities to develop and design social finance education and training is a main objective.

2. RESEARCH METHODOLOGY

Majority of the research materials for this project were compiled from July 2014 to early January 2015. The field interviews were completed between December 2014 and January 2015. Follow-ups to interview participants were scheduled for April and May 2015, after the defense.

This project utilized a mixed methodology that linked the research questions to the data analysis procedures (Onwuegbuzie and Leech, 2006). Onwuegbuzie and Leech explained that a mix methodology is one where the development of the research questions and data analysis procedures occurs in a logical and sequential order and that the research questions drives the methods, which I have adapted for both the overarching project research questions and for the participant interviews field study questions. Distinct diverging and converging research patterns of this project facilitated this process (figure 2).   Embedded into the interview questions (to interview practitioners) were quantitative demands and qualitative reflection time, to allow full answers that would serve to validate findings from the literature and case examples.

Figure 2: Research Design Methodology (Synthesis)



Phase 1: A literature review was conducted first to establish a social finance knowledge basic foundation, from which to identify themes to assist framing and situating the field study interview questions to participants.

Phase 2: Several case examples were looked at including: (1) financial institutions – reports from Canada's top five chartered banks to try and identify investment patterns to map, and (2) education institutions – four of Ontario's universities that have started to offer social finance courses.

Phase 3: Field study interviews were conducted from a small sample size of ten participants to help understand social finance practitioners' point of views, emerging social finance education needs, and trends. The field study interviews helped to validate findings.

Phase 4: Foresight methods – systems and design thinking, were used to manage and make sense of the data for an analysis and synthesis.

Research Questions

The research questions were directly informed by the literature review but actually took shape after careful reflection on past social finance experiences. For example while attending events at the MaRS Centre; Entrepreneurship 101 program http://www.marsdd.com/entrepreneurship-101/; the Social Finance Forum in Sao Paulo, Brazil http://www.investirparatransformar.com.br/en; and as a volunteer organization committee member (2013 – present) for the Toronto International Microfinance Summit http://www.microfinanceconference.ca. I have also worked as a program manager for an entrepreneurship program that provided affordable access to small business education for individuals and communities that cannot afford the cost to attend a business school or college business program. Research question one sets the foundation by seeking a clear social finance working definition (as discussed earlier), while question two guides the literature review to key areas to investigate. Questions three and four explores the underpinning (values) challenges and opportunities of social finance, and question five addresses how to create social finance education tools, promote social finance education and training. The questions also serve as a chronological reporting structure.

1. What is social finance (key components that defines it)?
2. Where does most of social finance education resides and Why?
3. What are the main education challenges and opportunities for training social financial profession in Ontario?
4. What are the underpinning values of social finance that can drive sustainable economic growth in Ontario?
5. How can we develop social finance tools, mobilize and promote social finance education and training in Ontario?

3. LITERATURE REVEIW

A literature review was conducted to learn where does most of the social finance knowledge resides and why?

This sections outlines: (1) a brief historical context (2) the three key components of social finance, and (3) major social finance institutional forces (e.g. MaRS).

Historical Context of Social Finance

The first objective of the social finance literature review was to gain a brief historical understanding on where social finance knowledge evolved from and why. Social finance, as we know it today stems from the United Kingdom (UK) in the early 2000s http://www.socialfinance.org.uk. But social finance history is also linked to developing countries microfinance initiatives: Grameen Bank - http://www.grameen-info.org, BRAC (Bangladesh Rural Advancement Committee) - http://www.brac.net and FINCA (Foundation for International Community Assistance) - http://www.fincacanada.org are all globally recognized pioneering organizations. But social finance also existed in Canada in the early 1900s when credit union systems were first developed at the provincial level, and then in the 1950s at the national level. The first credit union in North America was Caisse populaire de Levis http://www.desjardins.com in Quebec, Canada, which began operations on January 1901 with a ten-cent deposit (In Wikipedia, 2015). “In Ontario, people have been participating in co-operatives for over 140 years, with over 1,300 co-ops, credit unions, and caisses populaires in the province, and nearly 1.4 million members” (Inspiring Innovation page 10, Flatt, Daly, Elson, Hall, Thompson,

& Chamberlain, 2013). Credit unions continue to play a central role in today's market. The Responsible Investment Association (RIA) estimates that credit unions manage $1.35 billion in impact investing assets (MaRS and Purpose Capital, State of the Nation, 2013). More recently, charted banks, as we will see later on, are looking to increasing their participation in the social finance market. Philanthropists, private foundations, pension funds, and endowments are also significant potential asset players. Collectively, social finance has a strong history that can be trace back to the turn of the last century (see Appendix O - Microfinance History in Canada for a chronology list of important dates and key transformational activity in Canada). The term "Social finance" is therefore a more contemporary form of its evolution, and our current context of the social finance is not far removed from its historical one. In an Ontario study by The Canadian Community Economic Development Network and several university partners – from the Inspiration Innovation report (Flatt, Daly, Elson, Hall, Thompson, and Chamberlain, 2013), results showed that the traditional economy in Canada is made up of three sectors: public, private and civil society. Here is a summary of the categories (table 1) from which I started to understand the social finance movement in relation to the traditional economy.

Table 1: Summary: Social Economy Relations to Traditional Economy

Public Sector	Private Sector	Civil Society Organizations
Community Economic Development	Community Economic Development	Community Economic Development
Public Sector Nonprofits	Social Economy Businesses	Public Sector Nonprofits
		Social Economy Businesses

The social economy movement is largely a civil society movement that is comprised of public sector nonprofits, community economic development and social economy businesses. The social economy therefore contains for-profit and nonprofit organizations that combine both economic and social values in their work (Flatt, Daly, Elson, Hall, Thompson and Chamberlain, 2013) to serve society. Public universities (e.g. with business schools) are a good example that combines social and economic values because of their knowledge production ability to teach learners who can help to transform society. Universities are key places where social finance knowledge resides through their established research centres and practitioners.

Key Components of the Social Finance Market

Three key market components emerged from the literature review helped to defined social finance: (A) Supply of capital, (B) demand for capital and (C) intermediaries. They provided an understanding of the market dynamics on how education value is situated.

(A) Suppliers of Capital

Suppliers of capital mainly refer to governments (federal, provincial and municipalities) playing a significant role to help kick-start impact investment through their partnership and infrastructure support (e.g. MaRS Centre, Canada's Task Force on Social Finance), as well as with their other stately funded agencies. For example, the Ontario Trillium Foundation (OTF) (http://www.otf.ca) is a major funded agency in Ontario. From 2008 – 2009 the OTF has seen an increase in its budget from $105 million to $110 million and from 2009 – 2010, an increase to $120 million (Elson, Gouldsborough and Jones, 2009).

Other institutional investors include private and public foundations, credit unions, some pension funds and gradually, banks.

Mobilizing private capital for public good was one of the main recommendations of the Canada Social Finance Task Force on Social Finance that focuses on unlocking institutional investment specifically from the private sector (Canadian Task Force on Social Finance: Mobilizing Private Capital for Public Good: Priorities of Canada, 2014). In 2014, Gordon Nixon President and CEO, RBC announced:

> "... we are confident that our initial investment of $10 million in the RBC Impact Fund will not only spark entrepreneurship and innovation in Canada, but also catalyze similar investments from others in the business community. We are also proud to put our money where our values are by investing an additional $10 million of our own funds through the RBC Foundation in socially and environmentally screened funds" from Impact Investing goes mainstreams, SocialFinance.ca. (Spence, Miller, Chen, and Walker, 2014).

Similarly, the Toronto Dominion (TD) bank has been an investment leader in the low-carbon economy since 2006 (TD Corporate Responsibility Report, 2013). But in mid-2012, TD commissioned a team from Purpose Capital and the MaRS Centre for Impact Investing to develop a white paper on impact investing. This directional interest is worth noting because financial institutions are generally risks adverse. Still in that same year, TD invested over $450 million into community projects in the US (TD - White paper, 2013). TD's perspective of community investment appears much broader within North America (i.e. US) as would most major chartered banks. Consequently global versus local impact investing practices can influence the supply and demand market dynamics and should be taken into consideration, for instance, how would we determine social needs across different cultural regions. Some communities may feel left out and how can banks measure their social return on investment consistently?

Social return on investment knowledge is just now coming into focus and some banks may not be ready to fully use social metrics that will dramatically affect their bottom line profits. Unlike charted banks credit unions and foundation's investing practices were seen to be more inline with local values. A little know fact is that credit unions in Ontario have provincially operation restriction and therefore can only operation within the province of Ontario. Much of their generated economic value remains local. Like credit unions, Canadian foundations are major players too. Foundations has approximately $207.5 million currently invested in mission-related investments (MRI) and $80.3 million in program-related investments (PRI) (MaRS & State of the Nation, Impact Investing in Canada 2013). MRIs and PRIs investments are important investment types (strategies) for the social finance impact investing market and will be discuss further.

(B) Demand for Capital

The social finance literature typically points to two broad categories of actors on the demand side of the social finance marketplace: enterprising non-profits, charities and co-operatives; and social purpose businesses (MaRS Centre for Impact Investing, 2010; Emerson et al., 2007; Hebb, 2012). However, given the recent attention paid by governments to innovative financing mechanisms such as Social Impact Bonds, governments are now also actors that may have a demand for social finance (Myers, & Conte, 2013).

The variety of social businesses (social enterprise, social entrepreneurs and non-profits) that makes use of grants, loans, funds and bonds are also risks adverse and was seen to be in need of more knowledge. *The Social Impact Bonds (SIB) Technical Guide for*

Service Providers (MaRS Centre for Impact Investing, 2013) was produced to help service providers navigate the complexity of SIB. SIB is a new financial instrument that can have a positive, resource pooling effect, to generate new types of investment vehicles with investment partners including governments, banks, credit unions, and foundations (State of the Nation Impact Investing in Canada, 2014). Here is list of some of the recent funds that have developed in recent years.

Ontario Funds that has emerged, reflecting capital demand:

- **Ontario Catapult Microloan Fund (**$600,000 fund that offers $5,000–$25,000 loans and support services to social enterprises) in partnership with the ministry of Economic Development, Trade and Employment, in partnership with the Centre for Social Innovation, TD Bank Group, Microsoft Canada, Alterna Savings, Social Capital Partners and KPMG (http://socialinnovation.ca/catapult)
- **Social Enterprise Demonstration Fund** – Is a $4 million Social Enterprise Ontario government's pilot fund that tackles Ontario's most pressing social and environmental issues, and creating jobs. (https://www.ontario.ca/business-and-economy/social-enterprise-demonstration-fund)
- **Toronto Enterprise Fund -** Established in 2000 to support the implementation of social enterprises that provide transitional or permanent employment, or training leading to employment (http://www.torontoenterprisefund.ca/about-tef/what-is-the-toronto-enterprise-fund)

Mission related investments (MRI) are funds invested with a specific mission (e.g. homelessness), and program related investments (PRI) are funds invested in a wide variety including education. MRIs and PRIs are impact-investing options for investors to pool into loan funds, bonds, or grants. While these methods are useful for the creation of jobs in the short term, equity funding was noted as a needed piece that is not yet available to non-profits and social enterprise (Flatt, Daly, Elson, Hall, Thompson, and Chamberlain, 2013), confirming that the financial demands as well as the education demands of social purpose businesses are varied according to their services and is best seen from their perspective.

(C) Intermediary Role of Governments

Governments, by default, are positioned as ideal intermediaries to create policies and help to set the legal tone for the flow of funds into the social finance market. Table 2 is a summary of the various roles that governments can play in social finance development, and procurement is an interesting area worth looking at closely (State of the Nations: Impact Investing in Canada (MaRS and Purpose Capital, 2013).

Table 2: Summary: Policy Framework of Government as Intermediaries

POLICY FRAMEWORK			
Supply Development	**Directing Capital**	**Demand Development**	
Investment rules and requirements	Taxes, subsidies, reporting requirements and intermediations	Enabling Corporate Structures	Government Influence
Co-investment	Procurement	Capacity Building	Government Direct Participation

Governments can influence or participate directly with many social finance businesses that exist across a wide spectrum, including charities and non-profit, co-operatives organizations that requires legal tax guidelines, or for-profit corporations who could benefit from direct partnership bidding, for example, through procurement with the upcoming Pan Am/Parapan Games – Toronto 2015. Another report from the Social Finance National Advisory Board highlighted that the province of Ontario government had a consultation processes that looked into the potential of hybrid corporate forms. A diverse approach is important to allow social entrepreneurs and social businesses to choose from a wide menu of legal structures, that best suits their needs and objectives (MaRS National Advisory Board Report, 2014).

Impact a Social Enterprise Strategy for Ontario (Ontario Ministry for Economic Development, 2013) is a seminal report with four strategic pillars to help mobilize social enterprise in Ontario:

- Connecting, coordinating, communicating
- Building the social enterprise brand
- Creating a vibrant social finance marketplace
- Delivering services, support and solutions

Note that none of these strategic pillars speaks specifically to social finance education although they implied some aspect of training. A similar pattern was observed in the Canada Social Finance Task Force seven recommendations. Recommendations 1 to 3 emphases the mobilization of private capital, and recommendations 4 to 7 emphases the use of policy to kick-start and develop the market. I don't believe that the Ontario government and their partners are neglecting social finance education because Ontario has had a strong history of social finance policy investment and development (from Ontario Trillium Foundation, 1982 to the current Office for Social Enterprise, 2012). But rather, it appears that social finance education is not being given full attention, which this research study will try to address. The Ontario social finance market has about 10,000 social enterprises that served almost 3.4 million clients in 2012 (Ontario Ministry for Economic Development, 2013). This demographic will need some form of social finance education training. Also, the State of the Nation: Impact investing (MaRS and Purpose Capital Canada 2013) report indicated that social finance education is low on the radar due to the nation's strong government funded education systems and that there are opportunities to improve connection at the high school level with post-secondary, as well as within the workplace, adult literacy and technology and design for special needs.

MaRS Centre: A Contemporary Social Finance Force

A third central point from the literature review showed that MaRS Discovery District Centre is central social finance player. Technically, MaRS is an independent registered charity http://www.marsdd.com. But in many ways it is also a hybrid centre, at the intersection of corporate, small business, government, academic and research. As such, MaRS is playing a major communications role for social finance in Toronto, Ontario where it is based. MaRS regularly host an annual Social Finance Forum and weekly events such as the popular Entrepreneurship 101 program on Wednesday evenings, which I have taken several times. Other MaRS's mandate includes forging sector partnership, promoting and supporting startup culture, facilitating collaboration networks with federal and provincial governments, and private and nonprofit sectors. MaRS is home to three key social finance initiatives:

- SiG@MaRS - Social Innovation Generation http://www.sigeneration.ca.
- MaRS Centre for Impact Investing http://impactinvesting.marsdd.com.
- SocialFinance.ca – http://socialfinance.ca an education platform

MaRS's Social Innovation Centre (SiG@MaRS) is the secretariat home for the initial *2010 Canada's Task Force on Social Finance* (Appendix C). The *2013, Canada's National Advisory Board to the Social Impact Investment Taskforce* (Appendix D) is also based at MaRS. Both task forces are comprised of expert individuals from across many sectors and the initial task force produced seven key recommendations (Appendix E) design to help kick-start and establish social finance in Canada. These initiatives and recommendations specifically set out to address the following three main challenges (MaRS Canada's National Advisory Board to the Social Impact Investment Taskforce, 2014):

1. Capital Mobilization
2. Enabling tax and regulatory environment
3. Investment pipeline

One can see the key role that MaRS is set up to play in the Canadian social finance, impact-investing landscape. Given the importance of the seven recommendations and strategic challenges, considerations were given to them as push off points of reference. These activities show how MaRS is contributing to help set up the social finance ecosystem: 1) capital mobilization is aim at unlocking institution investor's capital, 2) enabling tax and regulatory environment is aim at government role as policy maker legal framework, and 3) speaks to the need for building infrastructures to allow a pipeline flow of funds between suppliers of capital to beneficiaries of capital.

The second centre, MaRS Centre for Impact Investment, works closely with the *National Advisory Board to the Social Impact Investment Taskforce* and also with pioneering intermediaries, such as SVX - Social Venture Connexsion, also based at MaRS. SVX opened its door for trading on September 19, 2013, as North America's first online platform designed to connect social ventures and impact investors (SocialFinance.ca). SVX signals a significant investment momentum development in the social finance market place in Ontario, Canada. The are plans to expand SVX's platform and scaling up into the US in 2015, led by a new network partner in California, which proves that social finance is indeed a growing market.

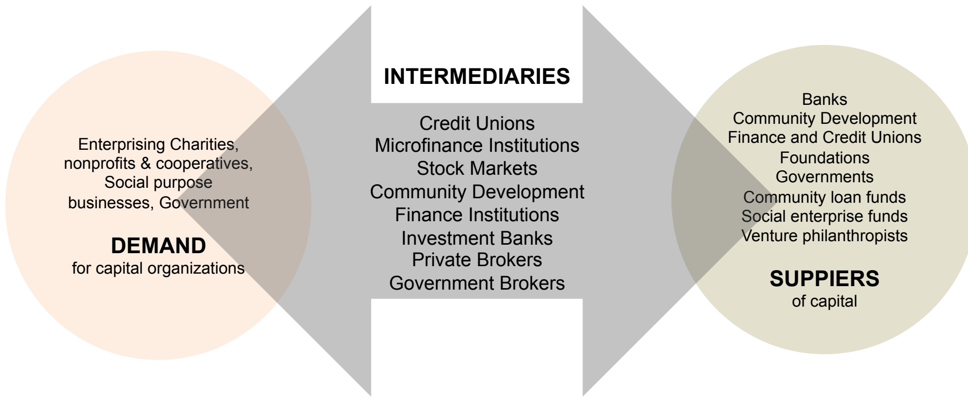
The third key initiative with relevant to my topic is MaR's SocialFinance.ca. It is a dedicated social finance education platform with resources including social finance research, career information, and events. Over the past two years, I have had the opportunity to write a few blog articles for SocialFinance.ca and noticed that SocialFinance.ca had a global syndicated audience including from Brazil http://socialfinance.ca/2014/07/14/brazilian-forum-social-finance-impact-business/. Technology is therefore an important enabler of social finance knowledge. MaRS has increasingly operating online with similar MOOC (Mass Open Online Courses) like audience. In 2012, over 26 thousands participants tuned into MaRS Entrepreneurship

101 program and it continues to be a popular attraction for young entrepreneurs including social entrepreneurs, with over 21 subject topics presented "free of charge" to the public both on and off-line http://www.marsdd.com/entrepreneurship-101/. The MaRS Centres and its many initiatives and partnership with governments exemplified strong collaboration and leadership.

Summary: Literature Review, Problem Finding (Education Gap)

In summary, the historical context of social finance in Canada is substantially rich, from which, a natural social evolution sprung three key components as; supply of capital, demand for capital and intermediaries, and we can view these as contemporary market dynamics, where impact investing is a driver. The impact-investing sector in Canada is expected to grow from $5.3 billion to $30 billion over the next decade (MaRS SocialFinance.ca, 2013). This further supports the JP Morgan report and survey that an emerging social finance market is indeed on the horizon. It is apparent then that understanding the education gap to realize this market size would require a closer examination of the underpinning value forces. Figure 3, below (Key Components of Social Economy Ecosystems) is a summary of my understanding of another important study titled "Can social finance improve the outcomes of employment and training programs?" by Social Research and Demonstration Corporation (Myers & Conte, 2013). Note that the three key components of social finance are not that dissimilar from traditional market dynamics (supply and demand), which tells us that social finance is being integrated, into, a current system, rather than a stand alone by itself.

Figure 3: Key Components of Social Economy Ecosystems



Also note that governments are well represented in all three parts yet education is not. But bridging the transaction gap between the supply and demand sides will require important education coordination. What was clear in the literature was there is a risk adverse nature of investors that also reflected a lack of understanding of social finance products and services. There was also general accepted notion that there are more suppliers of capital with not enough investment ready organizations. “There must be an educational component to loan financing. There is a significant need for education in the broader nonprofit sector” say Peter Asselstine, Infrastructure Ontario (Flatt, Daly, Elson, Hall, Thompson, and Chamberlain, 2013, pg. 19). It seems that there are two types of education needs, one at the macro level that looks broadly at the sector as a whole. The second is at the micro level, more specific to individuals and community needs where investors and investees can be more specific to their complex needs. Derek Ballantine from Community Forward Fund also echoed similar points in a major study on nonprofits and enterprise in Ontario titled, Inspiring Innovation: The Size, Scope and Socioeconomic Impact of Nonprofit Social Enterprise in Ontario (Flatt, Daly, Elson, Hall, Thompson, & Chamberlain, 2013).

> “Capital is looking for vehicles. On the investor side you create viable vehicles and it’s more likely to get the funds. The demand side is more complicated; there is a need for financial capacity building and education to be done.” Derek Ballantine (Flatt, Daly, Elson, Hall, Thompson, and Chamberlain, 2013, pg. 19).

These trends confirmed where a significant amount of social finance investment knowledge exists (banks, foundations, credit unions, and social innovation hubs) as well as their challenges. However, the literature did not show how higher education systems (institutions) would train social finance professions or how social businesses, communities and citizens can gain access to affordable financial advice. The following areas were carry forward as background setting:

1. Impact Investor trends – Has a strong presence but also comes institutional risk adverse nature (e.g. banks) and lacks product knowledge. Others include: credit unions, foundations, non-profits and social innovation hubs that are at the forefront of the movement.

2. Government policy maker role – Provides kick-starting infrastructure support with, bonds, funds, grants (e.g. Office of Social Enterprise), but has shown some complacency towards social finance education.

3. Supply and demand dynamics – With the many increase of funds, foundations and financial instruments (SIB) the literature seems to be suggesting that there are plenty suppliers of capital and not enough investment ready organizations on the demand for capital side. There are strong implications for education needs on both sides.

4. Education - Social Finance market is complex due to it emerging nature. Its newness comes with new terms and definitions to learn, validating the need for financial literacy and training for a new sector.

Broadly speaking, these areas represented the underpinning systemic values and movement dynamics of supply and demand, along with their respective education opportunities and challenges. The current market dynamics reflects aspects of this. Currently, foundations and credit unions are at the forefront of the social finance impact investing movement, while at a more higher asset class level, chartered banks, pension funds, endowments, investment activities are not yet flowing for various reasons (lack of market products, different values, risks, etc.). But perhaps more importantly, is whether there is a looming tension between major players due to the way traditional financial markets are typically structured to compete for market share. I was curious about this. The opportunity it seems is to increase social finance competency level of all players. Since social businesses are in the business of creating social value, it appears that if social value could be measure in a more precise way, investors with financial capital could be less risk adverse and want to let more.

4. CASE EXAMPLES

What are the education challenges and opportunities for social financial profession in Ontario?

This section looks at two contrasting sets of examples: knowledge values and economic values. First knowledge value, examines four of Ontario's universities that have started to offer social finance courses and that are providing glimpses of where and how the sector is evolving within education institutions. Second economic value, looks at the top five chartered banks in Canada that have started to slowly increase their social finance investment activities. The objective of this section is to corroborate challenges and opportunities from the literature review and identify linkages of underpinning shared-value proposition.

CASE EXAMPLE ONE (table 3): Instructing for Impact: the State of Social Finance Education In Canada (SocialFinance.ca)

The contents for this case example were compiled (summarized) from a MaRS's SocialFinance.ca http://socialfinance.ca article series on Canadian universities titled "Instructing for Impact: the State of Social Finance Education In Canada" by Tansy Anwar. The study interviewed students (range from undergrad to experience professionals) and instructors on the following topic areas:

- Course enrollment motives
- Educational resources and assignments
- Major takeaways for the students

- Future of social finance education

The study found that of the 95 plus universities in Canada, many of them have now included social innovation, environmental sustainability or social enterprise topics in their curriculums, but only eight of them actually have social finance specifically and four of those eight universities are located in the province of Ontario:

- Carleton University (Ottawa Ontario)
- University of Toronto (Downtown Toronto)
- York University (North of Toronto)
- Waterloo University (Waterloo, Ontario)

Table 3 below, shows a brief summary of some of the replies from students and instructors. It also shows students who we can consider as budding social finance practitioners and social finance instructors, some of who are scholars in their own right. The objective was to see what we could learn from their comments, from the course descriptions and home departments within their respective schools. Another objective was to observe how the four institutions value their own social finance knowledge (challenges and opportunities), for example, finding future career options.

Table 3: Instructing for Impact: The State of Social Finance Education In Canada

University Program Department	Program / Course Type	Course Content & Comments (Students Faculty)	Students & Faculty Comments	Challenges & Opportunities
(1) Carleton University's School of Public Policy & Administration (SPPA) and Masters in Philanthropy & Non-profit Leadership	Responsible and Impact Investing (2013) Public Policy and Civil Society: Options & Issues in Financing the Third Sector (2008); No attendance reported.	Responsible investing best practices, regulations for program related investments (PRI), return on investment (ROI) measurement, and the Challenges associated with the expansion of impact investing.	Dr. Herb, Director at Carleton Centre for Community Innovation and Brittany Fritsch, a recent graduate from the SPPA program commented that "Social finance should become the purview of many disciplines to ensure that it's getting the rigorous analysis, research, and debate that it deserves."	Integration into mainstream Finance. Convince University administration requires patients and outside university partnership (foundations) Student work on 'real world' projects outside classroom, with clients to gain practical experience.
(2) School of the Environment, University of Toronto	Environmental Finance and Sustainable Investment: Risk Mitigation and Emerging Opportunities (ENV 1707 Environmental Finance" (ECF 400); 6 to 10 students in each round, and the class	Instructors says 50% of class tends to be MBA students and the rest from environmental, engineer, policy, education and economics background Triple Bottom Line (TBL) concept	One student commented that the course material was fairly easy to understand, and the difficulty level of the course was slightly below other graduate courses offered by the School of the Environment.	They learn a range of products for financial institutions, pensions and investors can use to encourage better behaviour Scope of CSR

	mainly comprised of students from Ontario (Canada)	content; carbon credit; green credit cards; Evaluation methods (SRI & ESG)	Other's motivation for enrolment include sustainability career (i.e. environmental finance)	
(3) Waterloo University School of Environment, Enterprise and Development (SEED)	Master of Environment and Business (MEB) – Course: Environmental Finance (2011); Since its inception, 70 students have enrolled in this course	Sustainability focus, equal to MBA Online courses Aims to arm professionals with greater knowledge about the diversity of financial tools Identifying business opportunities to solve environmental problems Variety of publication for learning including reports from banks (RBC), team assessment, Micro-finance in the developing world, bottom of the pyramid market opportunities	Dr. Weber, an Associate Professor and Export Development Canada Chair in Environmental Finance says - Social finance, impact, investment, cooperatives, and credit unions and their roles [that's what] students want to learn about." Student comment - The fact that the MEB program mandated a course which linked sustainability and financial performance was one of the reasons I chose it over a traditional MBA	"It will be crucial whether and how social finance will find entrance into the traditional MBA and finance curricula," explained Dr. Weber, considering the expansion of social finance education in Canada and that social finance may remain a niche in conventional business education.
(4) York University is Schulich School of Business	Microfinance and Social Impact Investing – part of MBA program, in-	The class design situates microfinance and impact investing	*Jonathan Hera, Course Director, Schulich MBA grad, RBC*	Hera explained that given these constraints, students

	class lecture; Approximately 50 students since 2011, in a second-year elective	within the historical trajectory of international development and foreign aid. Students learn about Operational, strategic, impact and financial matters from an investor's perspective, Leadership offered by financial institutions and foundations Visits to prominent social finance spaces such as the Centre for Social Innovation (CSI) & MaRS	*Fund Manager and World Bank* – students are attracted to opportunity to learn how to "do well by doing good." Collaboration among university is important *Daryl Edwards, a Schulich MBA graduate and Portfolio Manager at Agora Partnerships* - explained that he appreciated the program's emphasis on the "importance of early stage enterprise support," on the difficulty in connecting investors to companies and on the balanced approach to impact measurement.	wonder when majority of regular retail investors will have social finance products to invest in. Additionally, students who are interested in working in the space are concerned about the limited job opportunities in the market.

Emerging Social Finance Knowledge Careers

All the courses offered were at the graduate level and the course contents for each university addressed a variety of learning outcomes that are inline with the research topic and definition of social finance education.   Contents from the Environmental Finance and Sustainable Investment: Risk Mitigation and Emerging Opportunities course, through the University of Toronto, School of the Environment, is a good example of the types of emerging social finance knowledge. Students are taught new concepts including triple bottom-line (Norman and MacDonald, 2015), environmental finance, carbon credits, biodiversity finance, and ‘green’ credit cards (Anwar, Walker and Sinopoli, 2013). Students were also taught how to incorporate Environment Social Governance (ESG) (Esgmanagers.com, 2015) factors into shareholder stewardship and asset management, which helps corporation evaluate their operation standards and comply with UN Principles for Responsible Investments (Instructing for Impact: the State of Social Finance Education In Canada, University of Toronto, SocialFinance.ca, 2013). Other measurement methods include SROI - Social Return on Investment http://thesroinetwork.org, which is a specific measurement method.

The Environmental Finance course at Waterloo University, Master of Environment and Business (MEB) program also addressed microfinance in the developing world and bottom of the pyramid market opportunities, which acknowledges linkages to the historical context of social finance. Similarly, York University Schulich School of Business also focuses on microfinance and impact investing within the historical trajectory and note the association of these courses to business schools departments and policy and environmental science departments. None of the courses were actual standalone ‘social finance program’ to themselves. Most were a part of a certificate or an elective for another program. Convincing education administrators appeared to be an institutional challenge indicative of a slow uptake and transfer of knowledge within universities. Dr. Weber, an Associate Professor and Export Development Canada Chair in Environmental Finance commented that “it will be crucial whether and how social finance will find entrance into the traditional MBA and finance curricula," which suggest that social finance may remain a niche in conventional business education setting. In the early 1950s, when entrepreneurship started to emerged, a similar patterned occurred and it took a while before it was accepted and embraced within business schools and college programs. "World-renowned universities such as Harvard, Stanford, and Berkeley were the first to offer courses in social entrepreneurship in the 1990s" (Brock & Steiner, 2009, p. 2). Today, many of Ontario's universities and colleges have social entrepreneurship programs. Perhaps social finance will walk a similar path before it becomes a mainstream field of study. With the excepting of York University (with approximately 50 students since 2011) attendance numbers for these new social finance courses were marginal but the enthusiasm was quite high from both students and instructors.

> "…social enterprise and impact investing are downright sexy because they combine systems and design thinking with local community development initiatives through inspirational theories of change" Janathan Hera (Course Director, Schulich MBA grad, RBC Fund Manager and World Bank) (http://socialfinance.ca Instructing for Impact: the State of Social Finance Education In Canada, York University).

A key point we can take away from this study is that although there is general acceptance and enthusiasm among students, scholars and practitioners, some institutional barriers may exist around the cost of social finance education and traditional competition with MBA programs. Business schools in particularly, may not necessarily see social finance as profitable, yet. Therefore the value of social finance knowledge is slow to be realized. Additionally, students who were interested in working in the space expressed concerned about the limited job opportunities in the market, and lack of scholarship for young students pursuing this field.

CASE EXAMPLE TWO: Canada's top five Private Sector Banks

This case chart example (table 4) was compiled (summarized) from five-chartered banks annual reports from 2013 to 2014, as follow:

- TD's Corporate Responsibility Report, 2013
- RBC's Public Accountability Statement, 2013
- BMO's Environmental, Social and Governance Report, and Public Accountability Statement, 2013
- CIBC's Corporate Responsibility Report and Public Accountability Statement, 2013
- Scotiabank Corporate Social Responsibility Report, 2013

The initial intent was to collect impact-investing data from three years back (2011 to 2013) to use to test my assumption that impact investment trends in the banking sector were actually on the rise. But after further research, the formal interviews (ten participants) and several informal discussions with a few social financial services sector practitioners, I learned that due to the still, relatively, early phase of social finance a lack of social finance impact investing information for charted banks is not yet available. This would help to explain why most of the annual reports are still using Corporate Social Responsibility (CSR) tone, which is a more commonly established term than social finance impact-investing. Nevertheless, I looked at several financial statements and accompanying notes with the intent of discovering some evidence on impact investing through either Corporate Social Responsibility (CSR), Social Responsible Investing, Micro-lending or Ethical Investing. Table 4 below is a summary of various samples on the general investing trends and characteristics, and the types of social finance knowledge that are emerging (Appendix G-K for further details on each respective reports). The data is therefore very limited should not be taken as conclusive evidence.

Table 4: Canada's Top Five Private Sector Banks. Source: See respective banks in reference list

Top five Chartered Banks	Emerging Knowledge Type	General Investing Trends: 2009 -2013	Characteristic Features & Focus
TD	Very Active: Environmental, Social, & Governance (ESG) standards applied to 100% of TD AM's investment research process	$2.6 billion in clean energy projects - World Bank's first Green Bank program 2009 (TD's 2012 Corporate Responsibility Report) http://www.td.com/corporate-responsibility/index.jsp In 2014 TD launched a $500 million TD Green Bond – the first commercial bank in Canada to offer a bond dedicated to funding green initiatives. Manages more than $220 billion in assets on behalf of retail and institutional investors.	Create value in the real economy. Give financial support to create change. Encourage employees to volunteer. Collaborate with community partners. Influence suppliers to use responsible practices.
RBC	Very Active: Extensive research capacity: SROI Social Return on Investment ESG Environment Social Governance Metrics	$20 million Social Finance Initiative in 2012 Responsible Investment Funds (SRI): $10 million Generator Fund & $10 million Foundation endowment assets in Social Responsible Investing e.g.$500,000 MaRS Clean Tech Fund	RBC supports a broad range of community initiatives through donations; sponsorships, community investments and employee volunteer activities. They have support many research collaboration with

	Impact Reporting and Investment Standards (IRIS)	$50 million 10 years RBC Blue Water Project, protecting fresh water and responsible use $100 million this year to causes that will have a positive and lasting social, economic and environmental impact for generations to come. We are actively involved with charitable organizations around the world and we support our employees in their volunteering efforts.	MaRS Centre and Purpose Capital for example. Their 2014 World Wealth Report indicated that High Net worth Individuals represents a fast growing consumer group who are looking to use their private capital for public good.
BMO	Very active: ESG sustainability Council, a management-level body that provides insight and guidance on the management of ESG issues Corporate Education on-line platform, conference centre (IFL) Institute for Learning	$1.5 billion, 2013 loans and deposits held by Aboriginal $2 million investment in the Greening Canada Fund in 2010, which is part of a $10 million commitment over five years In 2013, our investment in training was $91,113,439, which is an average of $1,962 per full-time equivalent (FTE) employee.	Seeks out business opportunities that will have a positive impact on our communities and customers. In Canada, we offer a Community account to local and not-for-profit organizations, including societies, lodges, church groups, sports and business clubs and local chapters of national non-profit organizations. Investment in Training: We provide employees with opportunities to grow and develop through formal training programs and on-the-job experience
CIBC	Very Active: CIBC continues to	In 2013, contributed more than $41	Three focus areas: on Kids, Cures and

	report on its corporate responsibility performance through an economic, environmental, social and governance (EESG) framework. At Board and senior management levels, compensation is linked to company-wide economic, environmental, social and governance (EESG) performance	million, including $22 million in charitable donations, to over 1,870 organizations in more than 430 communities. $38,000, awarded to Grade 10 students in partnership with Big Brothers Big Sisters Canada and YMCA Canada $12 million in 2013 towards scholarships and bursaries at 50 organizations, including 35 colleges and universities $11.1 million raised by CIBC employees for United Way in Canada through our 2012 annual campaign $1.2 million in grants to 100 organizations to help keep kids safe and homeless youth off the streets	community, we strive to make a significant social impact. Charity, fund raising Employee volunteerism
Scotiabank	Very Active: Scotiabank has an environmental policy, which is refreshed and approved by the board of directors every five years. The policy guides the da-today operations, lending practices, supplier agreements, management of real estate holdings an external reporting	CAD$446 million in microfinance services offered in Peru, Chile, Dominican Republic and Jamaica 2013 Awarded more than 400 scholarships & bursaries globally, CAD$1.2 million. One of these scholarship programs is the Scotiabank International Student Scholarship and	Microfinance – Over the past three years, Scotiabank introduced and expanded microfinance services in Peru, Chile, Dominican Republic and Jamaica where small-scale and microbusiness owners comprise 75% of the economy. Over the past three years Scotiabank has extended more than 520,000

	practices, A dedicated Director of environmental and social risk management helps implement the policy. SROI – Research & Development	Prize Fund at Trent University in Peterborough, Ontario, Canada	microfinance loans Bright Future Awards – The Scotiabank Bright Future Awards were established in 2012 to encourage youth volunteerism and recognize young people who make a difference in their communities. With applicants from some 27 countries, Scotiabank has rewarded 12 outstanding young people to date.

Emerging Knowledge Values in Canada's top five banks

There is clearly a strong interest from the banking sector in the social finance impact investing through either with charities, key partnerships, NFPs, or with public, private education. All five banks also had a global footprint, some in specific areas that they are recognized for. For example, Scotiabank is well known for community microfinance in the South and Central Americas, and the Caribbean. But even Scotiabank knows its regional challenges - "one of our greatest strengths as an organization – our global reach – is, at the same time, one of our greatest CSR challenges" (Scotiabank Report, 2013). This implies that impact strongly connected to local community activity.

One exception might be is with RBC. RBC is the first major Canadian bank to get into the impact funds (Globe & Mail, Jan 24, 2012). Its charitable contribution in education, arts and culture, health and human services is pointing to where social finance knowledge exists and how return value gets created. (See Appendix K for RBC's, Public

Accountability Statement, 2013 for more details). RBC is also a key partner with the MaRS Centre where one of its branches is located directly inside of the MaRS building. RBC's partnership is supporting research and development for social enterprise, social entrepreneurs, and the dissemination of new knowledge. It allows RBC's (e.g. financial analysis) opportunities to experience new social finance terms and contribute to the creation of new ones.

TD has a substantial footprint in the US and is a recognized leader in the green energy sector. TD was one of the first banks to invest in the World Bank's first Green Bank program 2009 (TD's Corporate Responsibility Report, 2012), including other areas such as affordable housing projects, carbon offsets and renewable energy credits among others (see Appendix G for more details).

The synergy of the social finance sector is being realized through energy sector impact investing by TD. Investors are able to see TBL (triple bottom line) relevance through trying to alleviate environmental concerns while meeting their revenue targets. You can see the similarity in Jonathan Hera (social finance course Director, Schulich MBA grad, RBC Fund Manager and World Bank)'s comment, when she says that students are attracted to opportunity to learn how to "do well by doing good." In many ways, TD's investment in carbon economy is contribution to the momentum of helping to promote the social and environmental economy through TBL beliefs, which illustrate an underpinning common value that is worth exploring further.

Along with TD, BMO was also a first to champion ESG (environment social governance) investing, by investing $10 million ($2 million per year) commitment over five years in the Greening Canada Fund (GCF). The importance of ESG is significant because of the elevation of environmental standards that comes new knowledge, new terms, and the redefining on how we see a new future economies. In addition to this, BMO is showing leadership in corporate education. BMO has its own conference centre - Institute for Learning (IFL) located in Markham, Ontario that functions like a private university, that can pool learners and practitioners from both public and private. In 2013, BMO's investment in training was $91,113,439, which is an average of $1,962 per full-time equivalent (FTE) employee (BMO Environmental, Social and Governance Report, 2013). BMO has substantial capacity for social finance education change both internal and external.

Brief Summary: Linking Knowledge and Economic Value Measurements

Canada's top banks are showing keen interest in social finance - impact investing which is helping to develop new knowledge. We can see this in the new types of social impact measuring methods that they are interested in such as – ESG, SROI and Impact Reporting and Investment Standards (IRIS). By comparison, four of Ontario's universities are illustrating social finance research leadership and guidance as well, through young scholars and social finance practitioners. Dr. Tessa Herb, Director at Carleton Centre for Community Innovation, suggested that social finance should be "integrated into mainstream finance," and Brittany Fritsch, a graduate from the Carleton University's School of Public Policy and Administration, also comment that "Social finance should become the purview of many disciplines to ensure that it's getting the rigorous analysis." Both comments suggest social finance may indeed have a "niche" market challenge.

Measurement Methods (SROI – Social Return On Investing)

Given the specific interest in measuring value (e.g. social value), SROI was seen as a specific social knowledge area where innovation exists. SAM (Social Asset Measurement) http://socialassets.org is a good example of a firm in Toronto, Ontario that focuses on the measurement value creation. They use the SROI http://thesroinetwork.org principles-based on measuring social and environmental values related to resources invested. This emphasis is on capturing value accruing to society, as apposed to a singular focus on financial benefit for the organization. Understanding the significance of the creation of values was therefore important to help shape the research interview questions to participants.

5. FIELD STUDY

Confirming Challenges and Opportunities for Social Finance Education Profession Training

This section presents the primary data from field interviews, an observation summary, and conducts an evaluation using two variables: (1) social value and (2) economic value for a deeper understanding on the challenges and opportunities for training social finance.

Interviews

The interview fieldwork consisted of a random sampling of sixteen applicants across the social finance sector of which, ten, through a self-selected process were interviewed for half hour each. Interview participants were pooled into four social finance components (groups): (1) suppliers of capital, (2) beneficiaries of capital, and (3) intermediaries representing the social finance ecosystem, plus a fourth (4) consultant category. Job types for each section varied from frontline coordinators, managers and directors to presidents. Among other key points, this study was generally interested in each participant's viewpoints that would feed into a collective definition of social finance education profession, challenges, and opportunities.

Eight questions were asked at each interview and summarized below, but only five were listed below (see Appendix A for the complete list of questions). The rationale for only listing five of the questions is that some of the questions were paired up on the same topic (e.g. social measurements had two questions, one lead and the other being a subsequent follow up question). However, all participants' replies were reviewed and integrated into their respective category. The Research Ethics Board (REB) at OCAD University granted approval for the interview questions. The following tables represents the participants' responses followed by their respective observation and summary:

- Table 5 - Field Study Primary Data (Interview Questions and Summary)
- Table 6 - Field Study Participants Percentage Response
- Table 7 - Social Finance Knowledge Needs Evaluation and Indicators

Table 5: Primary Data (Interview Questions and Summary)

	1. What does social finance mean to you or your organization?	2. How important is Social Impact Bonds (SIB) to community (social enterprise) & institution investment (traditional investing)?	3. Where do you think social finance education and training should reside? Why?	4. Does your organizatio n use social finance measuring methods (ESG, SROI) for annual reporting?	5. What are your educational needs for social finance or current level of education?
Capital supplier Credit Unions, Foundations	As a financial institution, social finance is unique to our credit union story. It is about using capital for social innovation, economic development and better livelihood (jobs).	Serving our members with the right product is in our DNA. Community and institution investment goes hand in hand. Members that are socially conscious will want and demand SIB. But institution must have	University MBA Continuing Studies, for more credibility. We should start with professionals working in the sector for cohesivenes s and to achieve thinking on common grounds.	Yes - SROI - and will continue to. However, it is very challenging to measuring outputs because we want to measure the impact. Reason being; method is new uptake	Understandin g NFPs and looking to understandin g social finance sector at Macro level. The sector as a whole needs more education. What I am trying to do, internally, is to encourage Social

		knowledge of readiness.		is slow and not fully understood.	Finance learning.
	Social Finance business has to do with any group or entity that has a business that is responsible - socially or environmentally, with a financial return.	SIB is very relevant for today. Community and institution investment works hand in hand. SIB is important as a financial instrument. We call SIB community banking – we've been doing this for a long time with our members.	University Continuing Studies/Colleges. Professional social finance training should at least start at the high school level, because not everyone will go to university or college.	Yes, we use SAM (Social Asset Measurement). It will be very valuable when we are making a case to grow our microfinance program. SAM is limited to our unit, and looks promising.	Would like to have or see a certificate program in social finance. I have been to conference at MaRS to learn up on sector. Would like to see and learn more on Social finance in province.
	We don't use that term, yet. We are still looking at how to define it. We fund social purpose enterprises, (e.g. women below poverty line), but not clear on the definition.	We don't use SIB but we think that it is important. We know others doing have started to use it. But our foundation is looking with our stakeholders along the same lines. SIB is a tool for us to bring more people together, pooling resources for impact. It's important.	Social Enterprise Association & Trusted Financial Inst. (e.g. credit union, and foundations). I am bias here. What we here from women is that there isn't enough leadership at this level, so training is suite for NFP where content is more relevant	We have use SROI method a little bit, in two of our last evaluation – to help us identify indicators. Yes, found it useful. We found it useful for internal purposes and also to explain the transition out of poverty.	We (our ED and me) would love to learn more about SF. If there were additional webinars out there it would be nice to have a birds-eye understanding so we can pick and chose where we might want to go.
	Social finance includes community investing,	We are observing the market to understand it	None of the above is right. There is no one-	We do not use SROI because it is too	What are our educational needs or our current level

	microfinance, social impact bonds, sustainable business, and social enterprise lending. These approaches to investment and funding share the twin focus of stimulating positive social and environmental returns for investors and the larger world.	better. Concerns – believe SIB puts unnecessary pressure on community organizations to perform: they may or may be able to carry out their commitment.	side size fits all. They all must be doing something and it depends on the context (Coops, NFP and social enterprise) and structure	complex. We use Demonstrat ion value Initiative - as a framework. Our own team use external audit. See annual report online for more.	of education: T his is a very big topic (size). It is difficult because not everyone is doing social finance. Our education is focused on helping our staff and members understand what impact is and how we will collectively achieve it. It's a multi-level and integrated approach.
Capital Demand Non-profit, CSI, MaRS	Social finance is about bringing resources together, pooling values, for community benefit. SF means access to affordable services and improvement of community health.	Community needs to have comparable fewer risks with institution in order to attract investment. SIB. Community investment is not as regulatory and barrier fix oriented, compared to big banks. We are afraid of the known with SIB.	Social Enterprise Association can open the door for more knowledge to community. An association can provide a better exchange platform for exchanging ideas and experience.	No, not that I am familiar with.	Senior leaders have good understandin g of social finance knowledge; frontline staff has more a basic knowledge. But I am very interested in learning more about social finance at large.
	Social finance relates: social enterprise, for profit and non-profit, it means	SIBs are critical. On the one hand they are a very niche market	Already exist at University level (Harvard). Very relevant	We are struggling with this. We work with SAM a	Developing metrics and outcomes. Everyone needs to do it

	putting People and Planet before Profit. Also, Social Finance relates to how impact investing can accelerate sustainable growth.	(subset of traditional finance market) and it is also getting popular. Our approach in Ontario was different than in Saskatchewan – where they launched the first SIB. Our approach started with commissioning the Mowat Centre for Policy Innovation at U. of T. to produce a 'sector signal' on SIBs – sector signal is part of a series of discussion papers geared to the NFP sector. This was coupled with training on SIB development and implementation.	for 40+ Senior entrepreneurs All of the above. Young people are realizing that money is not the only thing that is best for them.	few years ago. But we need SROI. We are growing, and we need to develop clearer and better metrics. Trillium just did their SROI (made in Ontario version of the Canadian Index of Wellbeing (CIW). They adopted 6 of the 8 metrics from CIW.	too. Trying to land on the same values in the NFP, Governments and private sector is not going to work (they all have values which play out in different ways). The best approach is to learn each other languages; to incent major investment to move the yardstick of social impact in the work we are all doing.
	The using of those two words means social benefit, plus, finance return. There is a collective tension in them, meaning sustainability return for investor and resources for	We should separate the instrument from creating good. There are other financial instruments, SIB is just one of them. It should be simple e.g. investing in the	Government must play a lead role convening, framing, scaling e.g. new policy Another area is through CRA – which is clogging up things, not allow NFPs	Our work is intermediary oriented not an implementer. We work with B-Corp and we support methods that are ESG, also works with	We disseminate SF knowledge; still I am looking to improve. No formal SF education. Attend SF events, reading only research,

	business operation.	new CSI Annex Bld. is a more practical way to understanding how to achieve impact. So the “funds” are amore important not the instrument.	to make revenue Governments are key enablers of the sector.	IRIIS methods to identify tools and metrics to capture impact. Supporting what is suitable for change.	etc. Looking to improve broad strokes understandin g at ecosystem level, where there may be more learning.
Intermediaries Government, Agency, University	We take a broad approach to SF – see it as any financial support or social enterprise development including grants and not just loans.	We have yet to see because SIB is new in Ontario. I have some nervousness about this. Some UK speakers – say SIB ends up being more work than expected and an unnecessary vehicle to accomplish this work. I’m also concerned outcomes may be too “narrow and pay for performance focus could lead to a creaming effect, leaving out people with the most barriers.”	For credibility business schools; for accessibility Community Colleges and Social Enterprise associations and for broad acceptance trusted financial Institutions (banks, credit unions). All are necessary.	No, we don’t use any but we do support metrics/ measureme nt approach (e.g. SAM). Part of our strategy for some upcoming projects includes testing SROI. Our broader evaluation process is to solicit feedback from our members and to evaluate progress on our strategic plan.	Our role is passing on SF knowledge to our members through peer engagement model approach. I’d assess our knowledge as above a certificate 101 SF knowledge level.

	Not something we talked about in a deliberate way. But, we are funded by tax dollars and it is important for us to use funds responsibly in a way that has lasting impact (e.g. Pan Para pan Am Games	I don't understand SIB. I know that CSI is doing similar work here "community bonds," but I cannot speak on this.	It is important to have SF Ed. in: universities, colleges, social enterprise associations, banks, etc. but I don't think that we can because the space is constantly changing and there is no right answer.	No. However, the multi sport world is moving towards this with the use of GRI (Global Reporting Initiative). Also, a lot this data is collected by province of Ontario government.	We need basic SF knowledge. It would be helpful to have an understanding of how we fit into the larger ecosystem of social finance. We could use more measurement and metrics knowledge.
Consultants Private Venture	Social finance includes social and environmental impact. The term social suggests having impact while sustainable finance suggests financing that considers social, environmental and governance considerations.	SIB is an emerging financial tool (technically, it is not a bond but rather, a pay for performance approach). I see it growing and increasingly becoming an option for retail and institutional investors over time. SIB is not yet fully proven – it is still in infancy.	Education institutions have more credibility, infrastructures, and would not have to start something new. They can promote within current schooling (small courses, similar to entrepreneurship) and build from there.	N/A	Mostly what's needed is how to measure social & environmental impact, and how to measure the ROI. I don't think of this as training, but as knowledge. Standard terminology would be useful. The way to approach this is to come up with a theory of change (perhaps like SROI) with clear objectives for long-term benefits.

Summary: Observation of Primary Data

Question 1: What does social finance mean to you or your organization?

Respondents showed a varied but common understanding of the definition of "Social Finance." 70% of responder's answers had social, environment and financial returns in their replies, which speaks to a triple bottom-line, confirming they are aware of social finance as a construct.

Question 2: How important is Social Impact Bonds (SIB) to community (e.g. social enterprise) and institution investment (e.g. traditional investment)?

The initial responses were positive that there is a new financial instrument tool that seems to change in the end to be more hesitant about SIB. For example, respondents associated SIB with other active organization success story (e.g. CSI – Centre for Social Innovation) in the social innovation space that is using a similar - community bond-like instrument to raised purchasing financing capital. But then words such as "risks" "concerns" "don't understand," resulted into a 50/50 split reply.

Question 3: Where do you think social finance education training should reside? Why?

70% of responders believed that social finance education should reside in higher learning (University MBA schools, Continuing Studies and Community Colleges); 20% thinks social finance associations and social enterprises would be more appropriate and accessible for training social finance people; and 10% said it belongs in no one area because, there is no "one-size-fit-all" training.

Question 4: Does your organization use social finance measuring methods (e.g. ESG, SROI) for annual reporting?

Most response indicated that they were already familiar with measurement methods: ESG – Environment, Social, Governance and SROI – Social Return on Investment. 50% of respondents noted these as critical to help tell the impact-investing stories, while the other 50% had mix replied (e.g. don't use metrics but in support of it; it's too complex; or they evaluation is based on the amount of participants).

Question 5: What are your educational needs for social finance?

This question highlighted different organizations levels (e.g. presidents, directors and managers) with strong social finance awareness versus lower ranked staff (managers, coordinators, frontline) that may have less technical finance skills but more social finance practical skills.

Table 6 below shows the respondents' percentages for each interview questions across the total social finance categories in the left column: supply, demand, intermediary, and consultants. The small sample size of ten limits us from drawing any comprehensive conclusion on the percentage but we can use the exercise to get a general read on social finance education needs.

Table 6: Interview Questions and Percentage Response

Field Study Interview Questions: Participants percentage response, confirming social finance challenges and education needs	1. What does social finance mean to you or your organization?	2. How important is Social Impact Bonds (SIB) to community (social enterprise) & institution investment (traditional investment)?	3. Where do you think social finance education and training should reside? Why?	4. Does your organization use social finance measuring methods (ESG, SROI) for annual reporting?	5. What are your education needs for social finance or current level of education?
(Supply) INVESTORS Credit Unions, Foundations	70% Are familiar with social finance terms including "Environment" "Social Capital," and "impact"	50% Says SIB is an important new financial instrument	70% Says Universities (e.g. MBA program) Continuing Studies, for more credibility	50% Says measurement is important to tell success story	100% Yes, the sector needs more social finance education
(Demand) BENEFICIARIES Non-profit, CSI, MaRS		50% Not against SIB, but thinks its too complex and they have some concerns or reservation		40% Not against measurement, but too complex	
INTERMIDIARIES Government, Agency, University	30% Unsure or don't use term "social" or "finance"		20% Says Enterprise Association is more accessible for SF training		
CONSULTANTS Private Venture			10% Could be in any: University/colleges or social enterprise associations	N/A	

Summary: Percentage Response

Question 1 responses were not dissimilar from Biron-Bordeleau's umbrella definition (impact investing, social responsible investing, ethical investing, and micro-loans). Question 2 and 4 responses confirmed that although there is a desire for better financial instruments (e.g. SIB) and social finance measurement tools, there is perhaps still some reservation due to the complexity. Interestingly, the 70% respondents from question 3 suggested that training for social finance career is best suited with in an establish education institution, in order to build social finance credibility and respect. Respondents' reply to question 5 confirmed that there is a convincing need for social finance education profession training, overall for the sector and for individuals.

The last analysis for this section categorized respondents' replies from question 5 only, then used two variables (social values and economic values) associated with blended-returns, to evaluate them, in order to get a better sense of the conceptual space that social finance education profession occupies. A report titled "Can Social Finance Meet Social Needs?" by Davison and Heap refers to 'blended returns' as a type of social (expanded). Their definition is as follow:

> The definition of Social Expansion Finance is that providers of it require both social and financial returns of some degree – blended returns. The precise mix between the 2 types of return will vary by investor and will fall on a spectrum with "impact first" investors at one end and "finance first" investors at the other. (Davison, R., & Heap, R., 2013).

Economic value and social values exist along a blended return. Table 7 below presents the social finance categories (left column), job types (managers, coordinators, directors, and consultants) and interview question 5 summary answers (middle column) and the social finance indicators (right column).

Table 7: Knowledge Needs, Evaluation and Indicators

	Job Levels/ Positions	Question #5. What are your educational needs for social finance or current level of education? Answers	Social Finance Knowledge Type Indicators: 1. Social Values 2. Economic Values
DEMAND	Investment Manager	Understanding NFPs and looking to understanding social finance sector at Macro level. The sector as a whole needs more education. What I am trying to do, internally, is to encourage Social Finance learning.	Education needs are more system value oriented
DEMAND	Coordinator	Would like to have or see a certificate program in social finance.	Education needs are more Ontario specific, system value oriented
DEMAND	Investment Manager	If there were additional webinars out there it would be nice to have a birds-eye understanding so we can pick and chose where we might want to go.	Education needs are high level and economically value oriented
DEMAND	Economic Development Director	Our education is focused on helping our staff and members understand what impact is and how we will collectively achieve it. It's a multi-level and integrated approach.	Education needs on a social system values
SUPPLY	Wellness Community Agent Worker	Senior leaders have good understanding of social finance knowledge; frontline staff has more a basic knowledge.	Education needs at senior level and tend to be more economical value oriented
SUPPLY	Director of Program	Developing metrics and outcomes. Everyone needs to do it too. Trying to land on the same values in the NFP, Governments and private sector is not going to work (they all have values which play out in different ways). The best approach is to learn each other languages; to incent major investment to move the yardstick of social impact in the work we are all doing.	Education needs are social system value oriented
SUPPLY	Manager, global development program	Looking to improve broad strokes understanding at ecosystem level, where there may be more learning.	Education needs are both social system and economic (personal) oriented
INTERMEDI	Director	I'd assess our knowledge as above a certificate 101 SF knowledge level.	Education needs is more social system oriented
INTERMEDI	Director	We could use more measurement and metrics knowledge.	Education needs is more social system oriented
CONSULTANT	Consultant	Mostly what's needed is how to measure social & environmental impact, and how to measure the ROI. I don't think of this as training, but as knowledge. Standard terminology would be useful. The way to approach this is to come up with a theory of change (perhaps like SROI) with clear objectives for long-term benefits.	Education needs are both social system and economic value oriented

Summary: Training implications

Question 5 – Although respondents expressed substantial desire for more social finance training and knowledge both individually and sector wide, the specifics of the type of knowledge will vary depending on the sector and the individual (and their knowledge level). This tells us that the production of social finance knowledge comes from a wide network of stakeholders in the social finance ecosystem: credit unions, foundations, nonprofits, social enterprises and social entrepreneurs as well as financial analysis that are technically trained individuals including social worker professionals, for example. It is interesting to note that some of the interview participants did not necessarily see themselves as producers of social finance knowledge, which meant that by default, traditional, institutional financial knowledge is still a dominant force (SocialFinnance.ca) over most social businesses. This summary also tells use that education is valued on a wide spectrum from monetary to non-monetary businesses, best described through blended-returns. The blended returns concept is perhaps one of the most important concepts to social finance education and training because of its simplicity to communicate the complexity of social finance and impact investing ideas, including products and services.

Social Finance Education and Training Implications summary:

- University business schools, policy and environmental department were the preferred choses training social finance profession over social finance associates and community colleges for credibility and respect, but also for research expertise and budding social finance practitioners. There is a social finance collaborations movement on campuses in Ontario. One social finance risk is that it may remain a niche market in the shadows of MBA schools.

- Measurement and metrics methods (SROI, ESG) are emerging specialized social-finance knowledge skills (in demand), to use for complex challenges in the sector to achiever accountability for social purposes businesses, with social value to society. This can build the impact-investing market confidence.
- There is a diverse range of social finance educational needs on: the demand for capital side (investment ready education needs for young social entrepreneurs, social enterprises and non-profits). On the supply of capital side more product knowledge is needed to help reduce risks adverse nature.
- Intermediary role of government includes investment, setting regulatory tone, policy (e.g. procurement), build infrastructure, and incentivize (e.g. tax) private sector investment. Social innovation policy could be more enabling for university social finance programs.
- MaRS Centres is a global leader in social finance knowledge on many levels, although not without its challenges. It provides free access to social entrepreneurship programming and social finance community networking and support.
- Technology is a key driver for social innovation hubs and research centres, with the potential scale products and services, and chiefly, to disseminate social finance knowledge.

6. SYSTEMS AND DESIGN THINKING

What are the underpinning values of social finance that can drive sustainable economic growth in Ontario?

The next five sections (from A to E), has a future outlook, integrating the previous sections' summaries and themes. This section tries to look at the data from a challenge and opportunity angle shapely, with creative thinking. It also identifies and presents findings for a "shared-value proposition" (Porter & Kramer, 2011) strategy that can enable social finance education and training.

Foresight

Foresight methods and approaches involve looking at the past and present for weak signals, trends and drivers of change in order to help understand future scenarios to assist strategy planning (2020mediafutures.ca). Foresight methods also make use of social science research methods (e.g. literature review), systems and design thinking (e.g. cybernetic of machinery and living things, systems), ethnography (e.g. interviews) and graphic design tools, techniques and illustration, for example in the form of post-it notes with words, icons or narratives (e.g. story telling). The use of charts, pictures, personas and artifacts are also suited for foresight. This section also makes use of framing concepts and models, for example, the STEEPV – Social Technology, Economic, Environmental and Values. Here are the main sections and key objectives:

- **(A)** Systems Design Thinking – To help identifying challenge and opportunity education gap.
- **(B)** Mapping – Mapping organization market shifts and knowledge usage.
- **(C)** Persona – Provided insights into the ideal social finance education profession profile.
- **(D)** STEEPV: Identify technology and Values (economic and social) Trends.
- **(E)** The Three Horizons – To illustrate a forward outlook on social finance education and training scenarios development.

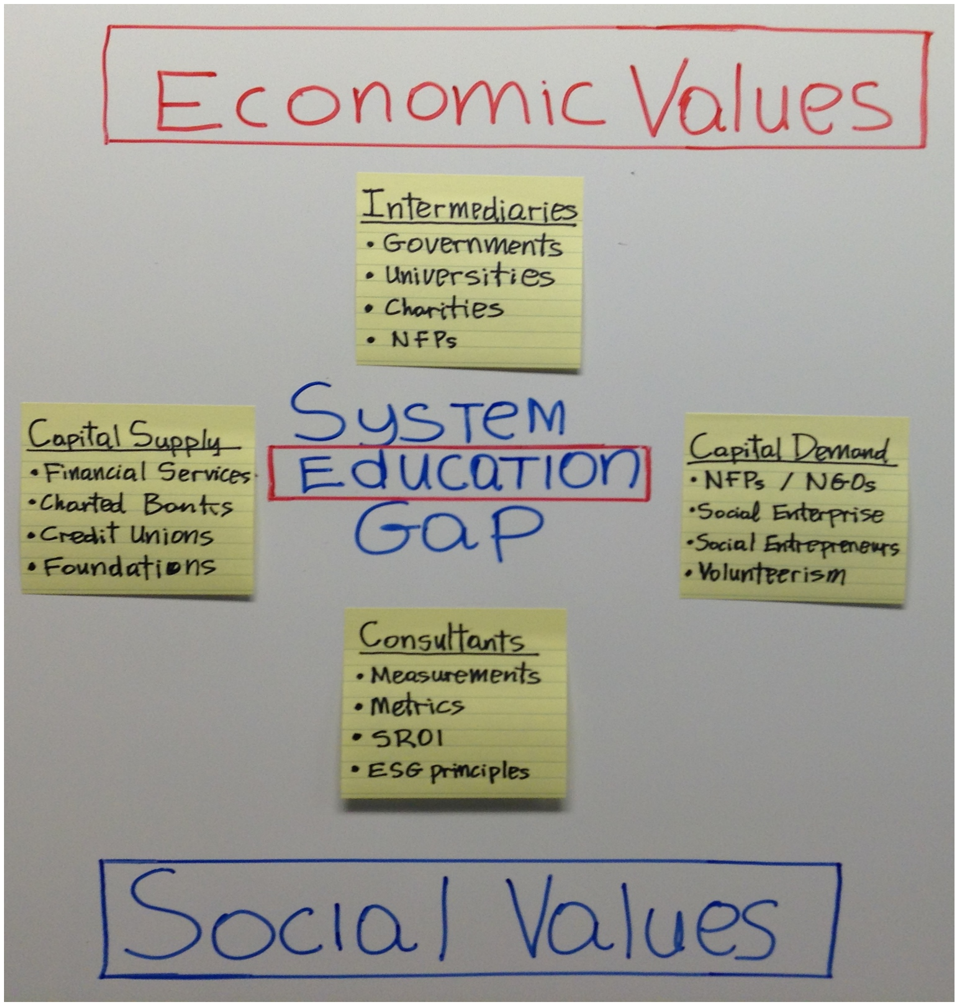
(A) Systems Design Thinking: Social Finance Education Opportunity Gap

Systems and design thinking has its roots in cybernetics with pioneers such as Peter M. Senge (from the Society for Organizational Learning) and Russell Ackoff (systems theorist professor of organizational change) (Bernstein, H. J., 2011) know for the DIKW (data, information, knowledge and wisdom) model. The figures (4, 5, 6, 7) below represent the basic system view problem of the social finance market dynamics and its complex evolution growth. The supply side has financial services entities: charted banks, credit unions, and foundations, and the demand side has many social businesses: NFPs, Social Enterprise, Social Entrepreneurs, the Volunteer sector and co-operatives as well. Sticky notes are a useful pectoral exercise to get an holistic understanding of challenges and opportunities and to discover gaps (figure 4).

Figure 4: System Dynamics of Economic and Social Values

This basic structure presents a simplistic view. But social finance markets also have underpinning social values as a key currency, which appears opposite to economic value (figure 4). The opportunity challenge is therefore one with a mixture of social and economic value, and not necessarily, an either or situation. As intermediary activity increase and private consultants achieve better success in measurements and metrics, better coordination of education may follow (figure 5) as the market expands. SROI is import here because of its ability to measure social value to help build investors confidence and unlock private capital.

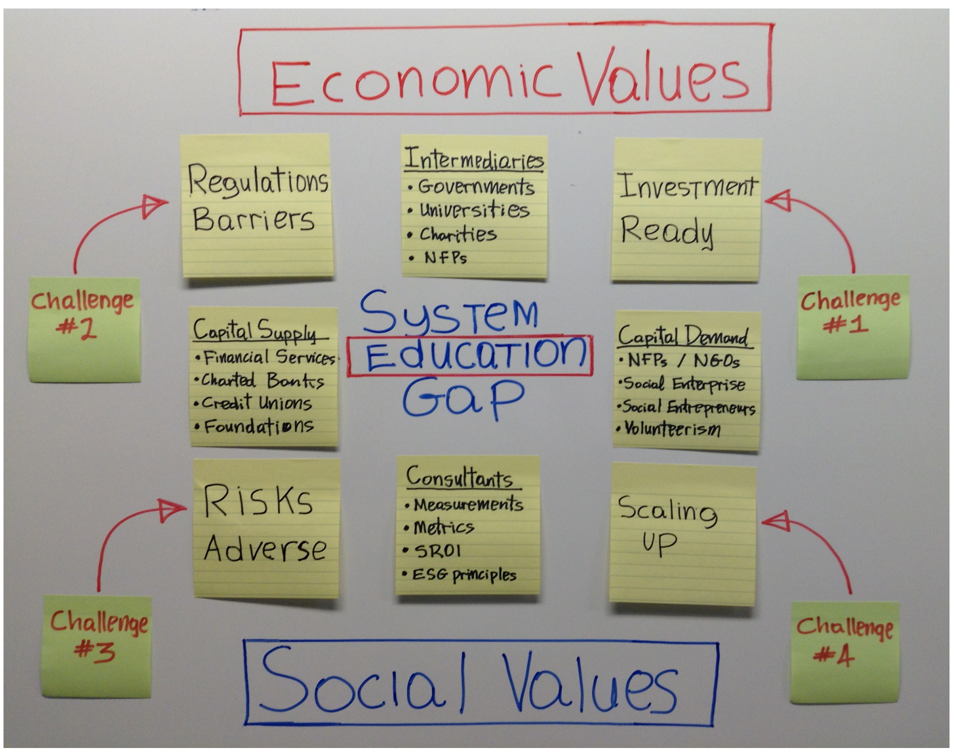
Figure 5: System Dynamics of Economic and Social Values



Barrier and Investment Challenges - As the social finance system emerges and complexity increases four barrier areas were identified to be aware. Their locations are marked with the arrows point to each sticky-notes (with red letters) in figure 6 below. Barrier 1, organizations (lacking investment ready capacity to absorb available capital) must learn how to participate within current established market forces. Barrier 2 is the need for better regulations and policies to guide institutional investment flow for charities and NFPs. In 2010, the Ontario government responded to issues raised by the Ontario

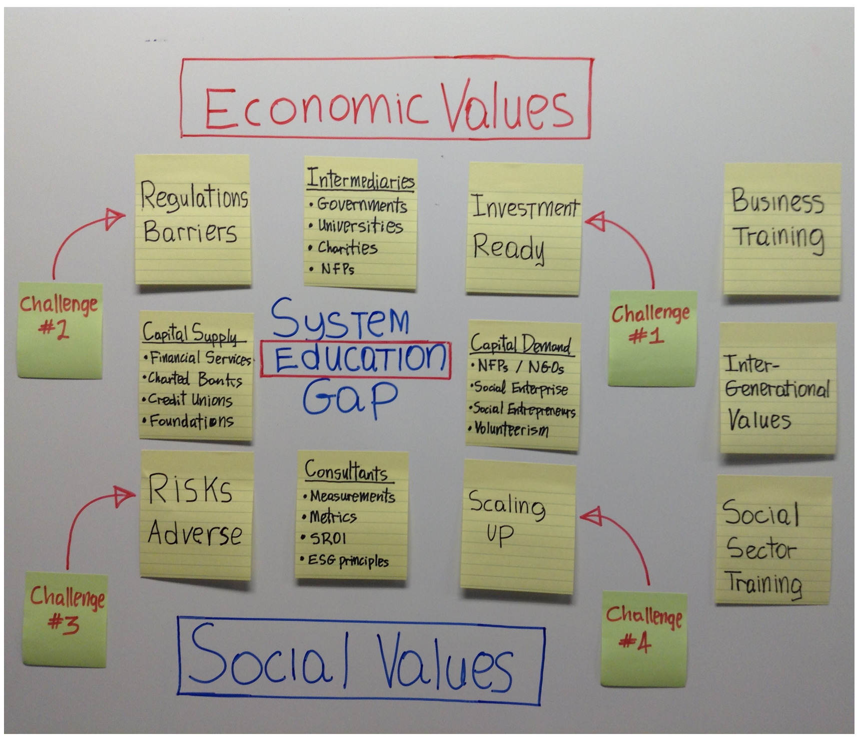
Nonprofit Network (ONN). ONN recommended that Ontario "work with the Government of Canada and Canadian financial institutions to address regulatory and legal barriers to social innovation, and make a range of social financing tools available to Ontario's not-for-profit sector" (Flatt, Daly, Elson, Hall, Thompson, and Chamberlain, 2013, p.13). Barrier 3 is the risk adverse nature of investors towards the newness of the social finance market, and barrier 4, is the challenge of scaling up performance of social enterprises.

Figure 6: System Dynamics of Economic and Social Values



Opportunity Location Point in System – The location of the four barrier areas identified are key entry points for system intervention when planning for education and training development. While business education tends to focus on economic value (top half of figure 6) social sector training is also more social value oriented (bottom half of figure 6). But if we think of shared-value as inter-generational (past, present, future) planning for future social finance training can be more integrated. This is similar to the early growth phases of entrepreneurship education, previously discussed in the Carleton University case example. In that example, students were given ‘real world’ issues to work on off-campus that connected them to local communities which builds credibility for the sector over time.

Figure 7: System Dynamics of Economic and Social Values



One positive benefit that complexity brings to the social finance market is the building of new relationships that can lead to share-values, thus realizing the linkages of economic and social value. In such scenarios there would be new beneficiaries. Government could see decrease spending towards programs and if institution investment trend continues, banks could help expand and develop the market significantly. Social businesses that are experiencing cut backs from government spending and who are now seeking to create new business models, would are positioned to benefit from an change towards shared-valued market thinking shift. Charities and foundations and credit unions are also important players because of their social mission that allow them to be suppliers of capital and beneficiaries as well. One can see the inherent complexity (figure 7) of the sector and why social finance education can play a central role to satisfy accountability demands from social businesses, governments and the private sector.

Social finance education is therefore a connector for the sector to increase social value flow. If *economic value* is hoarded too much in one side of our economic systems, when placed against *social values*, it sets up a conflicted misunderstood system that can destroy values. When systems destroy too much value than it cannot reproduce this can become a big problem (the 2009 stock market crash comes to mind here (e.g. housing crisis, which affected citizens globally). The seminal report tilted “The Limits to Growth” for The Club of Room’s Project on the Predicament of Mankind, in the 1970s, talked about this very point, that our world of consumption is in an overshoot where we are drawing on the worlds resources faster than we can restore, and that we are releasing wastes and pollutions faster than the Earth can absorb them or render them harmless (Meadows, 1972). More important, Meadows also touched on the concept of “extrapolation value” meaning, future Gross National Product (GNP) values, and suggested that:

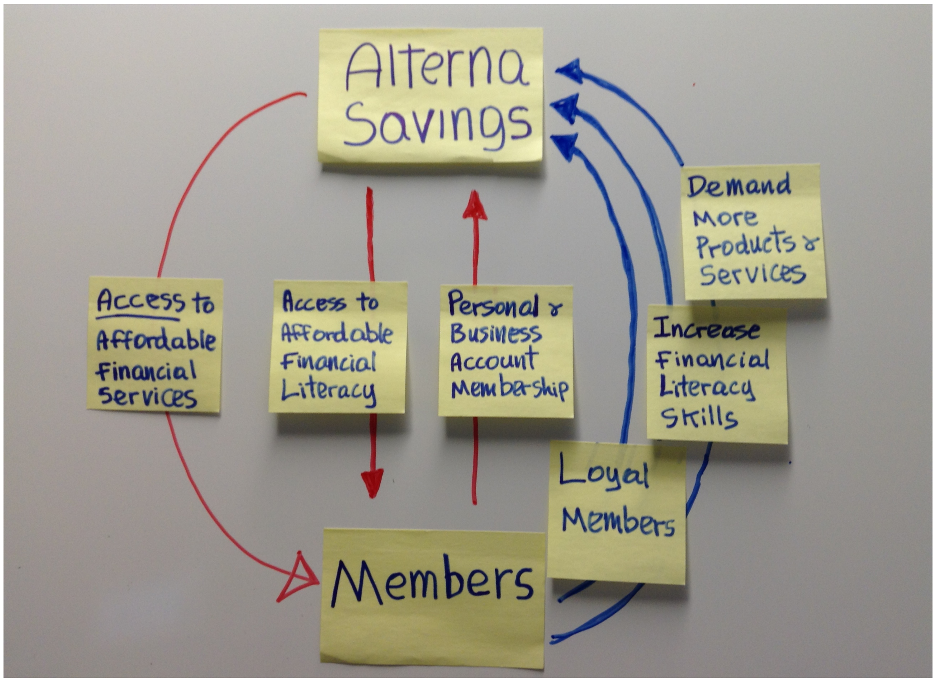
> “The [those] values merely indicate the general direction our system, as it is currently structured, is taking us. They demonstrate that the process of economic growth as it is occurring today [back then in the 70s] is inexorably widening the absolute gap between the rich and the poor nations of the world“ (Meadows, 1972, p. 45).

An holistic (worldview) understanding of value at different levels our social systems (micro and macro) are important because there are different types of values (monetary and non-monetary). For instance, volunteering is a form of non-monetary value that is essential to the social economy yet it is often not reflected accurately on traditional financial statements. In Ontario, there are over six million working in the non-profit industry and the sector mobilized approximately five million volunteers province wide (Inspiring Innovation by (Flatt, Daly, Elson, Hall, Thompson, and Chamberlain, 2013). One can see the impact of volunteerism for NFPs in Ontario. Product value is another way to talk about value because of its tangibility between the supply and demand.

Alterna Savings Credit Union (Alterna Savings) Learning Loop Example

Alterna Savings' microfinance (and financial literacy) program is a good example of social finance education intervention at a micro system level. Alterna Savings is a member–owned, co-operative financial institution with more than a century of putting people and communities before profits. It has 22 branches serving Ontario-based members and operates Alterna Bank, a wholly owned subsidiary with two branches in Gatineau, Quebec. Both Alterna Savings and Alterna Bank offer a full range of financial services for personal and business banking, to over 110,000 people. Here is Altera Savings' basic system map for its microfinance program and financial literacy outreach (figure 8).

Figure 8: Alterna Savings Credit Union Microfinance Program Learning Loop



Alterna Savings Credit Union believes that if they help members to access affordable financial services and financial literacy (centre arrows on figure 8) members would increase their financial literacy skills, increase their capacity to grow their businesses and demand better suited financial products and services for their situation (outside looping arrows 8). Alterna Savings Credit Union is aware of the needs of their micro-borrowers through their basic "learning loop" positive feedback from their members. This helps them to guide and plan their social economic impact through a shared-value approach. Alterna Savings Credit Union appears to have achieved a type of system synergy at both macro (local) and micro (institutional) through their microfinance program.

(B) Mapping: Organization Market Shift and Knowledge Usage

Two mapping exercises were utilized to help surface patterns of underpinning value changes that might be taking place within organizations and their people. Map 1 focused on the organization shifts based on a blended-value proposition concept and map 2 focused on the people's social finance knowledge usage within organizations.

In a ubiquitous technology economy there will inevitably be many types of knowledge workers with varying skill levels. Their production and consumptions of social finance knowledge naturally reflects their organization status as we've seen in some of the interviews. In the interviews handling, at first I tried to apply a generic high, medium and low social finance knowledge usage and observation approach, but then I realized that it was best to use the participants' job types. Interview participants' organization sector types - categories (supplier, demand, intermediaries), and general job category types (coordinators, managers, directors) were a more suited set of indicators because they are context specific to their work duties and responsibilities, with different levels of organization status and knowledge capacity.

The usage of a SWOT (strengths, weaknesses, opportunities and threats) analysis was also applied lightly to the mapping process, where the weights of an organization influence in their market environment context, in this case, the social and financial service market sectors, was taken into consideration before plotting each organization and users of social financial knowledge. Organizations with substantial social influence (e.g. MaRS) got +1 ratings and social finance knowledge users (from the interview results, job categories) who illustrated high social finance competency got +1 ratings as well. Bias was unavoidable due the abbreviated SWOT analysis and small sample size of ten interview participants.

- Map 1 (figure 9): Value Proposition Map - was adapted from Jed Emerson's "Blended Value Proposition" diagram (Emerson, 2000).
- Map 2 (figure 10): Knowledge User/Producer Map utilized the DIKW (Data, Information, Knowledge, Wisdom) Bernstein, H. J., (2011).

Map 1

Organizations that are placed on map 1 are mostly social finance influencers as well as financial institutions. Some warranted a light application of SWOT analysis in the traditional sense and Emerson's concepts provided a distinctive category types:

Quadrant A: Traditional Bureaucracy

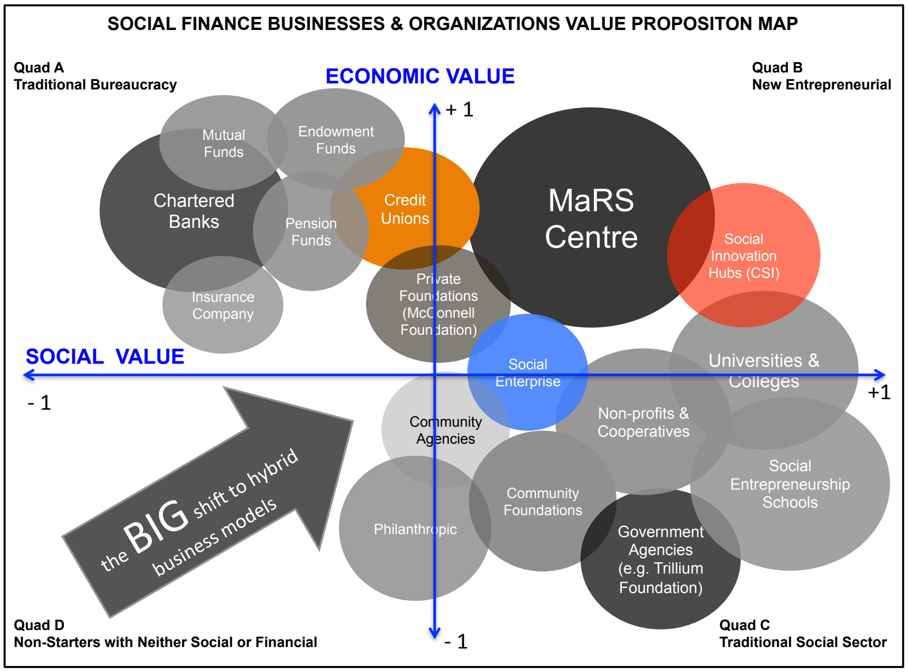
Quadrant B: New Entrepreneurial

Quadrant C: Traditional Social Sector

Quadrant D: Non-Starters with Neither Social or Financial

A first observation of map 1 suggests a migrating traffic towards quadrant B where new value creation trends are occurring. Quadrant B is a highly innovation space. Organizations in this space are combining social and economic returns at a hybrid level. But this can also come with complex risks.

Figure 9: Organization Shift Value Proposition Map



The MaRS Centre can be characterized as a hybrid organization entity because of its for-profit and non-profit nature. Its mandates are in line with the Canadian Social Finance Task Force to address three key economic challenges: (1) Capital mobilization, (2) enabling tax and regulatory environment, and (3) investment pipeline. A hybrid structure allows MaRS to behavour like an exchange (e.g. SVX – Social Venture Connexsion), like a commercialized entity, and like a non-profit service provider offering education and training programs with public funds. I fond it interesting that the MaRS Centre is in part responsible for “enabling tax and regulatory environment” even though they are not the government. MaRS appears to have a blockbuster type hub status, charged with great expectations to enable the social finance sector in Ontario, Canada. But MaRS have also experience criticism for its lack of production and risks. In a Globe and Mail article titled “How Toronto's MaRS centre became a hot-button election issue”

(Grant, 2014), the article reported that the Ontario provincial government is currently in talks with the MaRS Centre on a $317-million bailout of the MaRS's phase two tower. We can learn much from MaRS archetype.

A second observation of map 1 shows little activity in quadrant D and a vertical pattern along the vertical axe where organizations on the right side of the map are clustering towards quadrant B, versus the top left side of the map where for-profits (core financial services institutions) are clustered in quadrant A. Quadrant A can be interpreted as the risk adverse nature financial services sector not wanting venture too quickly towards social investing market.

> Canadian institutional investors are comprised of banks and credit unions, pension funds, mutual funds, insurance companies, foundations and endowments. Together these Canadian institutional investors represent assets of $4.7 trillion: with banks and credit unions assets at $2.9 trillion, trusteed pension funds with $811 billion; mutual funds at $611 billion, and insurance companies holdings of $500 billion (all figures as of 2009) - Dr. Tessa Hebb, Carleton Centre for Community Innovation (Hebb, 2012, pg. 4).

Hebb also talked about the limited amount of Canadian institutional investors engaged in social finance and recommends that the Canadian Task Force on Social Finance put forward policies to incentivize impact investor (Hebb, 2010). A third observation is that quadrant A represents the highest economic value and quadrant C represents the highest social value. While quadrant C has the highest social value it also has the lowest economic value, which is not so attractive for investors looking for monetary returns. Emerson refers to this as the "profit penalty" (Emerson, 2000, p. 15) to invest into social businesses that are not profitable. There are approximately over ten thousand social businesses in Ontario (Ontario Ministry for Economic Development, 2013) that would benefit from social impact investing, and one observation from the mapping exercise was that social purpose businesses might be looking to design new business models to suit their community's mission and investors' needs. This gives us some sense of their motivations.

Each organization's position on the value proposition map therefore reflects investing approach and tendency towards value types (social or economic). In this way a value map tool can help to track value migration from one stage to the other as Emerson suggested. Financial services and social services providers could use these steps (as guide) to consider how they might transition to a suited market preference. Many organizations already have structures (e.g. intrepreneurial culture) that can easily start working towards this. For example Alterna Savings, like many other financial institutions, has a corporate social responsible (CSR) committee (see Appendix F for Alterna Savings' Seven Cooperate Principles). The works of such committees are vital, often facilitating community engagement, volunteering, donations, or sustainable related topics to their business operations. Overtime, these types of internal activities can lead to positive change for organization leadership to take place and create policies that are more accurately reflective of their membership and stakeholder values. "What I am trying to do, internally, is to encourage social finance learning," says Susan Henry (Alterna Savings Credit Union). Social finance education and training is therefore essential in this regard. Map 1 exercise was useful to depict where does social finance knowledge reside and why.

Map 2 (figure 10) allowed for a similar sensing making plotting exercise in order to learn how social finance knowledge competency might exist among workers. Similar to map

1, but with a different concept, map 2 utilized the DIKW (data, information, knowledge and wisdom) scheme as a way of organizing the respondents. This is another main way that mapping, as a design methodology (embedded with systems thinking) is useful to make sense research data which can provide a relatively easy pictorial clustering analysis. In this instance, each plotted social finance knowledge users' positions were based on interview replies with specific consideration on the general employment positions (e.g. coordinators, managers, directors, consultant, officer, etc.) as an indicator of social finance knowledge level and organization status. As such, the data is not conclusive, but the attempt, and hopefully you will find some insights from it, was to learn and appreciate each respondent's competency for what they do.

Figure 10: Social Finance Knowledge User Map

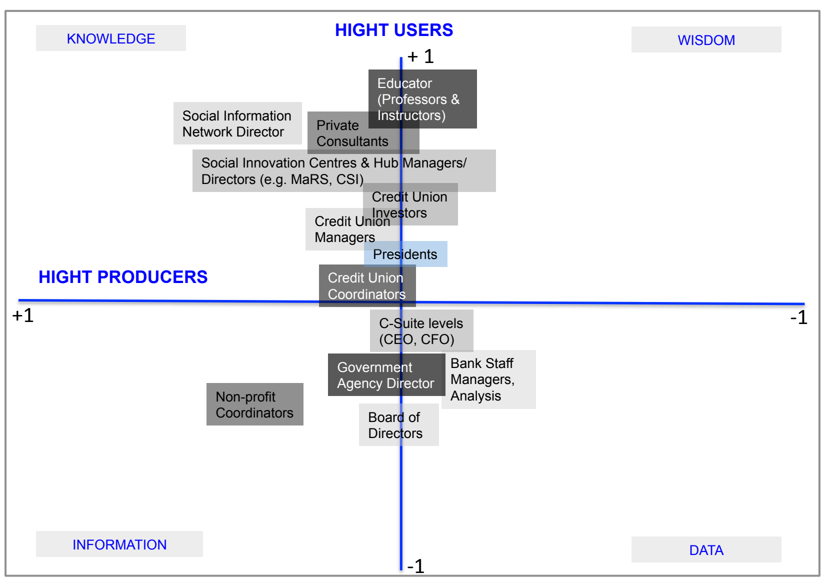


Figure 10 - map depicted a vertical pattern along the vertical axe that touched on all four quadrants. Perhaps this is reflective of average contemporary Knowledge workers compelled to be skilled in data, information and knowledge management systems.

Regardless, it's indicative of increase in the production and consumption of data, information and knowledge, which is useful for organizations to use to validate and measure their competiveness. While the clusters cannot be taken conclusive we can take away from it that there is much talking about social finance and perhaps not as much generating of business as the sector would like to see. "We now need to take social finance to the next level, adding action to mobilize the impact-investing market" was one remark from an interview participant (manager). If this is an accurate read social finance may still have a far way to go. The profession will need to find ways to define itself.

(C) Persona: Insights into Social Finance Profession Profile

A persona is another foresight method that allows us to study human behaviour to inform user experience and design. Persona uses gather behaviour characteristic data, cultural experience and tacit knowledge to design learner education and training experience in a curriculum, for example. This research usage of persona leans more towards a theatrical construct, for example through values, instead of specific data collection of personal information from individuals.

In the early stages of this research project I came across a curious term called "dilemma competency" from a researcher named Beck Katharina at the Institute for Social Banking Education (ISB) (Beck, 2011). The ISB is responsible for the development of the world's first official - MA Social Banking and Social Finance and they felt that values should play an essential role (Beck, K. 2011). At first, I thought the term sounded too complex but in an intriguing way. My investigation led me to appreciate its importance to my topic. Beck describes dilemma competency as a decision making ability where:

> "Managers and employees in th[e] field [of social banking] should have sound knowledge of conventional finance but also be able to further develop service providers and organizations in the financial sector on the basis of autonomously developed values." (Institute for Social Banking 2011a) (Beck, 2011, p. 11).

A dilemma competency situation might therefore occur when an individual (or an organization) arrives at a decision point with competing belief values (e.g. fiduciary responsibility versus something other than plan) yet that person or organization must make sound social and/or financial responsible decisions for instance. “Ethical investing,” from Biron-Bordeleau’s Credit Union Central of Canada associated social finance term’s diagram, comes to mind here. Dilemma competency also made me reflect on whether a chartered bank clerk would experience more dilemma competency situations than an Alterna Savings Credit Union’s clerk? The implication here is that there are social finance workers in businesses and organizations (e.g. banks, credit unions, foundations, charities, and Social Enterprise) who may find themselves in conflicted value situations, who must carry out tasks that will impact the operation’s financial bottom-line. How should such workers be trained to help ensure that positive, desired social outcomes are given the chance to emerge?

Dilemma competency suggests two social finance education and training criteria to be aware of: (1) Personal values and (2) Systemic values. It seems that when personal values are aligned with organization system values, there is a better chance for a sustainable outcomes due to emotional (or philosophical) alignment of workers. However, when personal values are not matched with organization system values this could be a clue that long-term underpinning challenges (e.g. policy barriers) may continue to persist.

Similar to “blended returns,” “dilemma competency” is a compelling term to use to teach how to be aware of work situations and conditions in the emerging social finance market. We can use the term (dilemma competency) to image what a social finance persona of the future could look like and to help explain the perfect social banker who will perform their job entirely with head, heart and hands (Beck, K. 2011). With such a hopeful image the profile of social finance education profession and training points to an integrated value based approach. A social finance profession could therefore be someone who is educated to have a balance approach to managing social, environmental and financial assets responsibly to the larger ecosystems in which they are connected to. Thus, social finance professionals are key intermediary individuals who can work, efficiently and effectively, in education and financial institutions, as well as other social service provider organizations.

(D) STEEPV: Focus on Technology, Economic and Social Value Trends

STEEPV is a significant method often used in conjunction with the Three Horizons method for a rich analysis research support. STEEPV's categorization helps to organized early signals, trends, and drivers by category topics for a foresight analysis, from which to start thinking about how to work with emerging scenario opportunities and challenges. The STEEPV categories are in table 8.

Table 8: STEEPV with Signals, Trends and Drivers

	Signals	Trends	Drivers
Social (Education)	• Social finance education is more positively noticeable by community organizations and education institutions, doing workshops, seminars to help mobilize community economic growth and independence (community agencies, social enterprise)	• Four Ontario universities (University of Toronto, Carleton University, Waterloo University and York University are leading the way with offering courses on social finance education and impact investing • Also, an increase in conferences: Impact Ontario annual forum and MaRS annual Social Finance Conference (SocialFinance.ca)	• Increasing market demand for more social finance products and services to bridge supply and demand education gap: e.g. private sector education needs - fund managers, financial advisors and financial analysis • Measurement and metrics for social finance (ESG)

Technology	• Enabler of social finance knowledge, e.g. crowd funding conversation & policy demand for it	• Increase in social finance online platform: SocialFinance.ca, SVX at the MaRS Centre • SROI Network	• Scaling possibility to reach many people who cannot attend seminars, e.g. at MaRS Centre • Reduce education cost
Economic	• A JP Morgan's report estimated $400b market by 2020, (Tansey, Svedova, Cuyegkeng, 2014)	• Public and private investors: Foundations, Funds, Credit unions and Canadian five Charted banks over the past five years are showing increasing interest	• Government incentivize initiatives to attractive private capital for public good (e.g. SIB) • Leveraging procurement
Environment	• 30 years urgent need to respond to environmental issues in a sustainable way	• Increase interest in measurement methods: ESG, SROI and IRIS, IRIS Metrics • Environmental concerns are critical for humans	• Demand for more green financial products • E.g. TD Green Bond
Political	• Early stage grants & Loans support for social innovation by Ontario government Office of Social Enterprise	• New policies and infrastructure: Office of Social Enterprise 2012, Ontario government, Social Finance Task Force & Impact Advisory Board Task Force	• Expenditure support for government programs and projects (MRIs & PRIs)
Values	• Awareness on common values in society	• Climate of collaboration and collective activity versus individual	• Equitable change demand in society (civil unrest)

Technology and values (economic and social) were main trends and drivers that this project discovered, listed in the STEEPV table 8 above. A brief discussion on these areas will help sharpen our focus before turning our attention to the Three Horizons analysis and synthesis.

Values

In Michael Porter and Mark Kramer's paper "Creating Shared Value: How to reinvent capitalism and unleash a wave of innovation and growth" (Porter & Kramer, 2011) they talked about how capitalism is under siege and that it is diminished to get policies that sap economic growth. This research identified the following underpinning values that have implications across governments, private sectors and society:

1) Monetary values: liquid currency "cash is king" approach.
2) Non-monetary values: goodwill and volunteerism in social economy.
3) Intangible shared values (education and intergenerational knowledge): As a cultural means to participate in markets.

These values are hard to reconcile in our education systems because not everyone agrees on the same set of values and desired outcomes. Social finance education and research adds to our understanding on how to connect value to value to help reconcile complex differences. One example of this was the forming of the Canada's National Advisory Board to the Social Impact Investment Taskforce, in 2014. The advisory board is comprised of experts from banking, financial service, universities, foundations, charities, credit unions, private consultants, and legal entities. Of the 24 members, only two education institutions were represented and the highest cluster of people had economic and finance background. As a result, this advisory board appears more top heavy on the economic value side and less on the community social value side. (See appendix D for the full list of 24 individuals). Nevertheless, the pooling of resource knowledge expertise (a key element of social finance) will allow for the sharing of risks. This initiative tells us that leaders are learning how to distribute risks where it can be best absorb to avoid disastrous system damage. In so doing we can plan and promote redundancy and resiliency in our systems. Another example of shared-value is with the upcoming Toronto 2015, Pan Am/Para pan Am games – where the Ontario government has created a procurement policy to allow smaller vendors to RFPs (Request for Proposals). Porter and Kramer called this "transforming procurement to increase the quality and yield" (Porter and Kramer, 2011, pg. 5) of value, by changing Corporate Social Responsibility (CSR) to Corporate Social Values (CSV). These two examples highlight the importance of places (or occasion) within systems intersections – where different values (entities) can make room to coexist and help support system renewal.

Technology

Technology trends are perhaps playing the most central role in enabling the social finance sector breaking down older structures and enabling innovation. At a Digital Governance Forum, http://digital-governance.ca/ this past January 2015, Dan Tapscott, a leading scholar on information technology, gave a compelling talk on the influence of technology. He talked about a future where network governance will challenge governments globally to create new standards. Given the mega driver of technology, could network governance be an early signal of a diminishing role of our governments to only create policies, as Porter and Kramer alluded to in their earlier comment that capitalism is under siege?

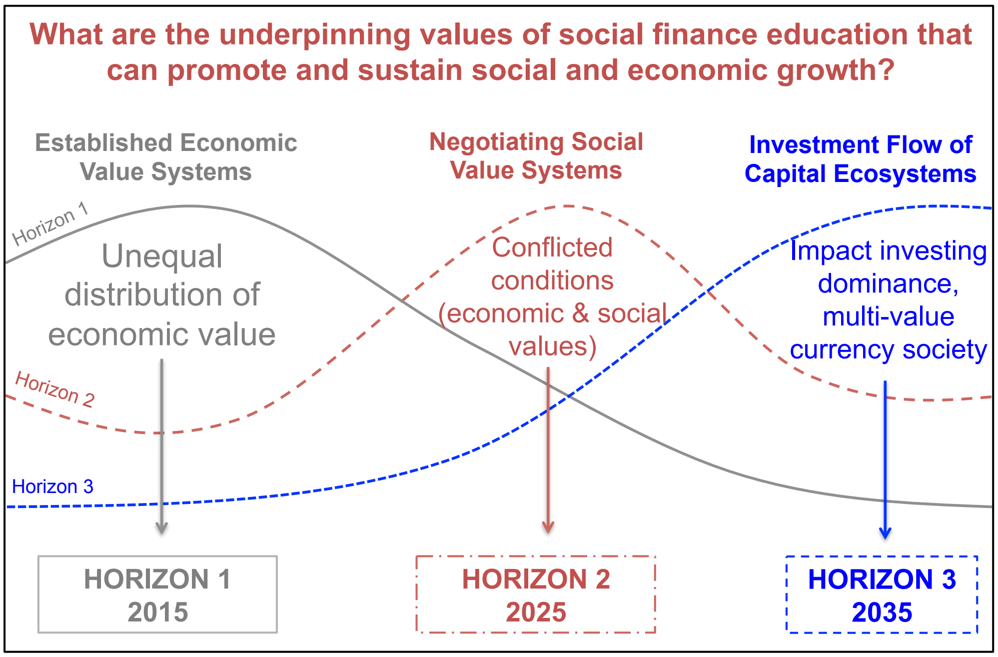
Knowledge hubs (such as the MaRS Centre) are therefore central to future networks both global and local, and technology and government policies are indeed key enablers (or barriers) of social change that will always require some political leadership. But what Tapscott might be getting at is perhaps a much deeper erosion of democracy. We know that our financial and education institutions must change to suite our changing needs. Planning for a digital democracy would also require planning for digital currency at the same time, which is a different type of value than we've seen. Social finance is intrinsically linked to social values. But when the sector interacts with technology it stands to be transformed through education trends and new knowledge (e.g. SROI). If political leadership signals the right technology support it would allow social finance to scale and increase its value across geographic boundaries. We must therefore see social finance education beyond the Ontario region, for example, the coming and going of newcomers to Canada. This is the wider outlook from which to apply the STEEPV usage when reading the signals, trends and drivers forces within the context of the Three Horizons' conditions.

(E) The Three Horizons: Emerging Social Finance Education Values

The Three Horizons is an emerging foresight method for scenario planning that can assist with the building and linking an organization's strategy to its innovation. Bill Sharpe (a science, technology and society researcher)'s article titled *Three Horizons and working for change*" describes the Three Horizons as a way of working with transformational change and systemic patterns rather than individual events or unexamined trends. This understanding helps to frame the discussion and shifts from horizon 1, to horizon 3, via transition activities in horizon 2.

The Three Horizons structure then lends itself well to the use of early signals, trends, and drivers to provide a forwarding outlook study on the social finance sector. The condition of each horizon has a particular quality that acts as sensory for its environment. This is the benefit of the method (a sense making exercise based on research). Three background themes from the literature review and the field interviews informed (not define) the Three Horizons: *HORIZON 1* - policy and infrastructure building support is reflected as the establishment of capital supply, *HORIZON 2* - the development and emergence of new social finance knowledge is reflected as negotiation of values, and HORIZON 3 – is the economic investment flow of capital demand. This Three Horizons (figure 11) frame is an adoption from (Hodgson and Curry, 2008).

Figure 11: The Three Horizons of Social Finance Education



One can read the Three Horizons from left to right through each phase or by each distinct line curves (H1, H2, H3). It is useful however, to work from H1 to H3 and then back to H2, because the common tendency is to come back to where the most tension and challenge exists, in Horizon 2. The key characteristic conditions of the Three Horizons, distinct worlds, are as follow:

Horizon 1 (2015): Represents our current states where social finance is regulatory driven by economic value dominance systems mindset. Infrastructure and policy support are established (e.g. Social Finance Task Force and Impact Investing Advisory Board). A risks adverse mental state exists in traditional financial institutions and act as barriers to accessing capital.

Horizon 2 (2025): Represents unstable conditions and conflicted values. These conditions have the potential to develop approaches, for example, new social finance knowledge that can help with the transitioning to realize new markets. Central to this section is negotiating value differences (economic and social).

Horizon 3 (2035): Represents a matured economic investment state with "deal flow" (MaRS & Purpose Capital, State of the Nation, 2013) where market conditions are ideal for organizations seeking economic and social capital. The qualities of value proposition forces are fluid.

Analysis

The Three Horizons provides a confluence of forces – technology, economics, and values for an analysis on the future of social finance education and training.
The economic value, centric, features in Horizon 1 will never completely vanish but will have to somewhat reduce as time past to make room for social capital opportunities. We are already seeing early signals with credit unions and foundation's leadership in impact-investing assets increases. Banks (e.g. RBC's $20 Million Social Responsible Funds) are also moving beyond responsible investing, which is more CSR oriented, and towards impact investing. One of the Task Force on Social Finance recommendation is to regulate foundations and endowments to invest 10% of their asset and report it annually (by 2020). This is a critical signal of institutional policy change on the horizon.

Still we may not see these changes, in full, in Horizon 2. They will most like mature in Horizon 3 where conditions are more suited. Kiva http://www.kiva.org is an early signal example (threat) to the state of Horizon 1. Kiva is a globally established micro financing platform that matches borrowers to lender with as little as $25 loans for citizens in economically depressed regions and countries. Yet, most of Kiva's investors are from developed countries, which show the enabling effect of technology to connect supply and demand. Kiva therefore represents a challenge to Horizon 1. It's interesting to note that Kiva is not a bank. It is an intermediary Internet platform with a strong global footprint.

Horizon 2 (where H1 and H3 collides) on the other hand, is essential to understand due to its conflicting nature and proximity to the current state. The mind set here for social business and organizations could be to use emerging knowledge (e.g. SROI evaluation measurement) to breakaway from the past.

What we gain from this analysis is that there is complex, accumulating effect to be aware of through technology for scaling, emerging social financial expertise for measuring social change, and the changing political value and demands in society, as key ingredients, for incremental social innovation change. Social finance must identifying and following specific criteria in order to realized desired outcomes. The transformative usage of the Three Horizons allows us to therefore image a variety of social finance training scenarios ranging from the traditional classroom to online learning (mobile) or a combination, or variations (e.g. seminars, workshops, conference). This research identified a hybrid 'multi-value' approach for social finance education and training. This is based on some of the signals and drivers that are associated with overcoming barriers in Horizon 1 (table 9).

Table 9: Barriers and Sector Signal and Trends (Three Horizons)

Categories and Organizations	Barriers to Participate in Social Finance Market	Sector Signals and Trends in Horizon 1
Credit Unions, Foundations/Charities (Supplier of capital)	Risk averse to new market	• Social banks are on the rise (Grameen bank, Kiva.com) because of their multi-values approach • Crowd funding • MRIs and PRIs investing strategies
Governments, Universities (Intermediaries)	Lack of qualified intermediaries with expertise in impact investment	• Hybrid organization e.g. MaRS SVX Social Venture Connexion (first of its kind in Canada) • Hybrid business model policy consideration
Charities, NFPs and Social Enterprise (Demand for capital)	Lack of access to capital and investment ready capacity to absorb capital	• Social businesses are seeking new innovative business models to help bring in more revenue, to carry out their social purpose mission

These trends represent pockets of the future in the present. Technology, cost reduction and the facilitation of the integration new societal values and demand, points to the consideration of MOOCs - Massive Open Online Courses (e.g. Coursera, https://www.coursera.org/) as viable learning options. A specific example is the ACUMEN Foundation, a non-profit global venture fund that uses entrepreneurial approaches to solve social problems including poverty. ACUMEN has recently announced they will offer "on demand" courses for social enterprise via MOOCs http://blog.novoed.com/index.php/782/acumen-offers-on-demand-courses-for-busy-professionals-in-the-social-sector/. This is an example that signals a slight moving away from the university based instructor based courses. MOOCs represent a significant convergence change in our digital era. Any increase of MOOCs would suggest that social finance education can thrive online more so than in the traditional classroom setting. Online courses also tend to be “free of charge” reducing the cost to accessing data, information and knowledge. This is critical for people who cannot afford the cost of a college or university education. However, one caveat to MOOCs in Horizon 3 is that the human centric approach to education is not yet fully worked out, for example, the challenges and stress associated with technology. The traditional classroom setting, therefore, has direct social elements at its core, which online learning does not.

7. DISCUSSION

There are naysayers who believe that the social finance market is still too risky, it needs time to develop and they need proof. They perhaps see the opportunity cost as being too high. Banks falls into this category. You may have also noticed that insurance companies, mutual funds, pension funds and endowments were all situated in the traditional bureaucracy quadrant A of the value proposition map. The risk implications for education and training are also embedded into these thinking.

SROI: Social Return On Investing

SROI is an increasingly respectable, measurement methodology with rigor, as part of the emerging solution of social finance education. I recently took an SROI course (January 2015) that was organized and taught by SiMPACT Strategy Group http://simpactstrategies.com/ in partnership with SROI Canada. SROI Canada also belongs to a global SROI network http://thesroinetwork.org that social finance education professions in Ontario may need to be aware of. The SROI course was held in Toronto at CSI - Centre for Social Innovation http://socialinnovation.ca. CSI is a social innovation hub that has successfully scaled up over the past five years with new locations and a second purchased building in the works. A CSI community bond was a main part of CSI's financing strategy for their new building. CSI is a great example of social finance at work. While the CSI's success story is easy to tell, it is much harder to articulate and measure how social value was created by CSI and SROI methods offers the competency to do so. There are two types of SROI analysis: (1) Evaluative SROI is retrospectively based on outcomes already taken place, and (2) Forecast SROI is predictive, on how social value is created if the activities meet the outcomes (SROI Network, 2012). A main concept of SROI is the “theory of Change” also called “impact-map” which stakeholders can use to chart their social impact and actually put a monetary value to it. This is remarkable because we now have another tool to assist working with complex social systems. There are four key steps (and main sub steps) in the SROI process: input, output, outcomes and impact. Table 10 shows the standard format and summary of SROI, adapted from “A Guide to Social Return On Investment” (SROI Network, 2012).

Table 10: SROI Social Return on Investing - Theory of Change (Impact Map)

SROI Theory of Change	Input	Output	Outcomes	Impact
	resources that you need to manage the project. For example, time, money, staff, other assets (such as a building)	The direct results and beneficiaries. Usually outputs show that certain people receive something, learn something, or take part in something as a result of what you do or how you do it. For example, easily countable things, like the number of people involved, or the number of hours of training delivered etc.	Longer-term change. Describe why that output is important, in terms of the implications for, and the effect it has on, a local area or a group of people. This is the theory that you will be testing – the link between what you do and the things you care passionately about.	When thinking about planning, impacts are the big-picture change you are trying to create or the changes in the wider world that the work you are doing is contributing to. For example, this could be in terms of your vision for change in people’s lives, a community, the environment or the local economy.

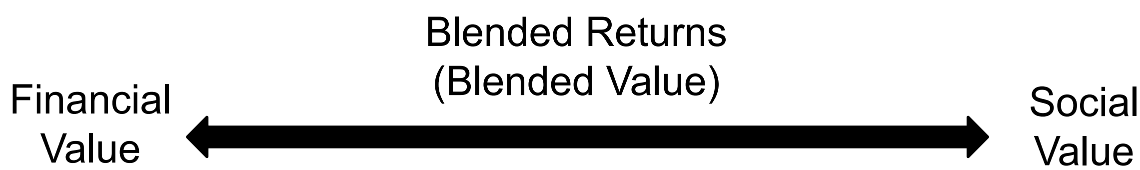
SROI is primarily used to evaluate social programs and initiatives (see appendix M for the seven SROI Principles). But it may also be useful to identify and develop social innovation products as well. For instance, products and services that are currently showing potential such as Alterna Savings Credit Union microfinance program (micro-lending and financial literacy).

Naysayers of social finance may believe that the market lacks confidence due to lack of interest or low skill capability. The later is more likely. In a Human Resources and skills Development Canada (HRSDC) report supported the claim that investment advisors had low familiarity with social finance products (HRSDC, 2013). SROI analysis can therefore be useful for organizations doing performance evaluation of successful programming or for new products to help organizations that feel that they might be taking on unfamiliar risks for the first time (e.g. SIB). Furthermore, PRIs and MRIs (investment types) that are more education-oriented investment products for - training, language and skills development, health and environment program or financial literacy, can be more robustly evaluated with the use of SROI.

The 'blended returns' concept is a useful concept for both naysayers and social finance advocates to consider coming together under, including educators. The term 'blended returns" is attributed to Jed Emerson in 2000 - a Bloomberg Senior Research Fellow in Philanthropy at Harvard Business School, Boston, for her MA paper titled - *The Nature of Returns: A Social Capital Markets Inquiry into Elements of Investment and The Blended Value Proposition (2000).* Her work describes that "the future will see the introduction of an increasing number of investment vehicles and strategies that pursue a *blended value proposition* and report on investment performance on the basis of a Blended ROI" (Emerson, 2000, pg. 38).

Previously discussed, we can perhaps come to term with why Davison and Heap referred and used "blended returns" as a type of social (expanded) value because value-to-value is being added. Similarly, Emerson (to who the term is attributed to) treats the term interchangeable as “blended returns” and “blended value,” and both usages would seem to make the term more attractive for investors and financial analysis, which is critical to help convince naysayers of the value of SROI. In this regards, in order for the sector to develop, it must be inviting. Social finance language and lexicon must be clear and digestible. Figure 12 is a basic adaption of Emerson’s concept.

Figure 12: Social Finance Education Training Concept (Blended Returns)



Here, blended value investing options are integrated along a commercial continuum. The sweet spot of impact investing is MRIs and PRIs where investors can have the most impact. On figure 12, PRIs products are situated close to centre and then left of centre, while MRIs products are situated right of centre towards social value. MRPs and PRI are key impact investing products also described as “hybrid” types of financial products, which the Three Horizons has helped to identify in the horizon 3. The Ontario government is currently exploring to introduce legislations to enable (Ontario Ministry for Economic Development, 2013, p. 3). SROI is therefore a new form of social finance knowledge for measuring and describing how social value (MRIs and PRIs). It is applicable for both education programing as well as for financial product development to prove to investors who seek accountability of their investment.

Outcomes

Another way to look at SROI usage is through output and outcomes. Output can be a number (e.g. number of graduates from a program) but outcomes are more intangible requiring measurement of impact. True social outcome must be look at and measure over a reasonable amount of time, in order to understand its depreciated value. One outcome for this research project was to recognized sustainable research knowledge to use to create a social finance education course in collaboration with an education institution and communities.

A good example of sustainable value creation is the YMCA Elm Street project that was socially finance (similar to CSI). Its social impact is generational because it is providing housing for people who are less fortunate including citizens – these housing units are targeted at single low-income women, women with children, women living with mental health and addiction issues, and families of Aboriginal ancestry (see Appendix N).

8. CONCLUSION

We've seen that the definition of social finance was defined by a few key related social finance terms and impact investing is a chief way of defining private sector investment participation in the emerging social finance market. Private sector capital has a significant role to play in the emerging social finance market because traditional investment markets is where most of the private sector investment currently exist, and to unlock. The social economy is an important opportunity and challenge for private equity expansion. Therefore, private sector investment knowledge is central to social finance development.

We've also seen that universities and research centres, such as the Centre for Community Innovation, Carleton University, Ontario, Canada where thought leaders and budding social finance professionals resides, are equally valid places to find social finance expertise.

Further still, social purpose businesses (NFPs, social enterprises and social entrepreneurs) have a more practical level of knowledge. But in order for them to scale up their social businesses, they must increase their business management skills to better manage their assets, build equity, and carry out their social mission more efficiently and effectively.

Hopefully, this research was insightful enough; at least to illustrate that there is interdependency between the traditional finance market and the social economy. The underpinning shared-value propositions of our economy can therefore be seen as *social finance education values*, as the missing-market-linkage between supply and demand of capital. Social capital and financial capital are not mutually exclusive. They are interchangeable specifically through new financial instruments (e.g. Social Impact Bonds or community bonds). This is possible through teaching concepts such as blended-returns, dilemma competency and SROI.

SROI is an emerging body of knowledge that social finance institutions (banks, credit unions, foundations, education institutions and social businesses) and practitioners, could use as a rigorous practice to hone and distribute social finance concepts. Long-term, SROI could be a critical way to help bridge the social finance education knowledge gap between suppliers of capital and beneficiaries of capital, as well as between traditional economic practices and contemporary financing movements. Further study could be done on SROI education and how it can situate itself with traditional economics, to deepen our philosophical understanding (and engage policy makers), which should also include inter-general value learning.

9. FINDINGS

- The social finance literature revealed that social finance in Ontario has a strong history to the social economy and to micro-finance globally.

- Contemporary social finance education profession has been an emerging sector and profession since the mid 2000s and brings with it, the promise of unlocking new social capital opportunities that expands the current economic structures of supply and demand capital, by developing intermediary education capacity.

- Social finance education profession is essential to help grow both social finance and traditional finance markets, specifically, to bridge the education gap between capital suppliers with demand for capital (social value), through intermediaries and private sector firms and consultants. Social finance education profession plays a vital connector role for the sector to realize its economic growth potential on the horizon.

- Measurements and metrics are specific social finance knowledge needs When coupled with technology can help to scale social finance education on and off-line to improve career choices for educators and practitioners.

- Mission related products (MRIs) and program related products (PRIs) are essential to attracting institutional investment. They identify area of blended returns product options of above and below market value. Products and services that provide affordable access to financial literacy will determine how successful the market is and not so much the organizations. Organizations may shift but the right products will prove to stand the test of social conditions.

- The training needs of social finance education profession should be enable by policy support from governments and education institutions otherwise it may remain a niche market. The Edward Jackson's dynamic triangle (Jackson, T., 2010) is an appropriate model to help build a social finance education program. It allows for the collaboration with research centre (e.g. Carleton University), continuing education (life long learning departments) and financial institutions (e.g. Alterna Savings).

In closing, social finance education and profession is a new profession of workers with integrated social and financial skills. They are financial analysis, social workers, investors, fund managers, coordinators of social enterprises, government agency officers and environmentalist, and many more sectors not yet realized from both nonprofit and profit organizations. They are part of a movement, not yet fully realized, but helping to realize a market base solution for social economic challenges. Their skills are just now being defined through education and financial institutions. The term social finance *education profession* did not exist in the social finance literature in any substantial way, which is indicative that this is a fairly new area and further research could be done here. This was also evident from some of the interview participants who did not see themselves as social finance people per say, but did see themselves as part of a larger social finance ecosystem. Thinking of the many moving parts of social finance and education, as it continues to emerge, I decided to try and pinpoint their origins. A main objective of this project was to try and shed light on social finance professions as they emerge: the places that they work, the new language that they are speaking, and most importantly their underpinning values. By revealing them, we this could help us plan for 21st Century social finance education and training in Ontario.

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10. RECOMENDATIONS

How can we develop social finance training tools?

A main reason for picking this research topic was to align the study with the Office of Social Enterprise - the Ontario provincial government's *Impact - a Social Enterprise Strategy for Ontario (Ontario Ministry for Economic Development, 2013),* in hope to make a small contribution (I live in Toronto, Ontario). In this regards, one observation, from looking at the social finance literature, was that government education policies for social finance education was not as explicit as I was expecting.

(1) ECONOMIC – support impact investing at a microfinance level equally as you would at the philanthropic level. Utilize management and legal expertise to create more financial instruments such as Social Impact Bonds (SIB), community bonds and procurement practices (e.g. Pan Am Paranpan Am Games). CSI is also a great example that illustrates the potential of our province to become a preferred destination for social innovation. Still we must:

- Start by first addressing our tax problems for small businesses.
- Incentivize private investor's behaviour with 'patient investing' "Mission Related Investing (MRI)" and 'Program Related Investing (MRI)' in the micro loan sector.

(2) POLITICAL – Adapt and promote (with policy) a digital democracy to help increasing higher participation and collaboration with governments at all levels. Digital participation will speed up innovation (e.g. crowd funding).

- Creating a crowd voting platform and iterate to perfection
- Create sustainable policies, to signal sustainable change

(3) EDUCATION – MOOC (Mass Open Online Courses) is a good example of open data, open knowledge. Increase more multi-disciplinary program at the university and college levels (OCAD University, SFI) both in-class and on-line to accelerate learning and solving social problems faster than any individual can by themself.

- Social finance 101 online course
- Promote new knowledge centres (e.g. CSIs Regent Park) in the GTA.

11. POTNETIAL COMMERICIALIZING SOCIAL INNOVATION IDEAS

INDEA ONE: A Social Finance Certificate Course (workshop/seminar)

Audience:

For social business learners (managers, coordinators), government employee, and financial services professionals and executives.

Course content:

Will include: social finance terms (e.g. SROI, Blended Returns, Triple Bottom Line); macro system key components (market dynamics and brief history); and social finance specific knowledge types including: SROI analysis and applying ESG principles.

Format:

A design experiential approach working ideas, networking, guest speakers, collaboration and prototyping

IDEA TWO: Social finance Card Game – Training aid for social business managers and executives that could be use in a Social Finance Certificate Program. The ideal learning setting is small group (4 teams of 5) similar to a card game.

Table 13: Learning Aid - Social Finance Impact Investing Card Game (with 4 Suites)

CAPITAL SUPPLIER • Charted Banks • Financial Analysis • Private Foundations (e.g. McConnell Foundation) • Philanthropist • Credit Unions	**INTERMEDIARIES** • Government • Agencies (Ontario Trillium Foundation) • MaRS Centre • Colleges & Universities
CONSULTANTS • Social Entrepreneurship School • Centre Social Innovation (CSI) • Private firms	**CAPITAL DEMAND** • Social Workers • Community Agencies • Non-profits • Social Enterprise • Social Entrepreneurs

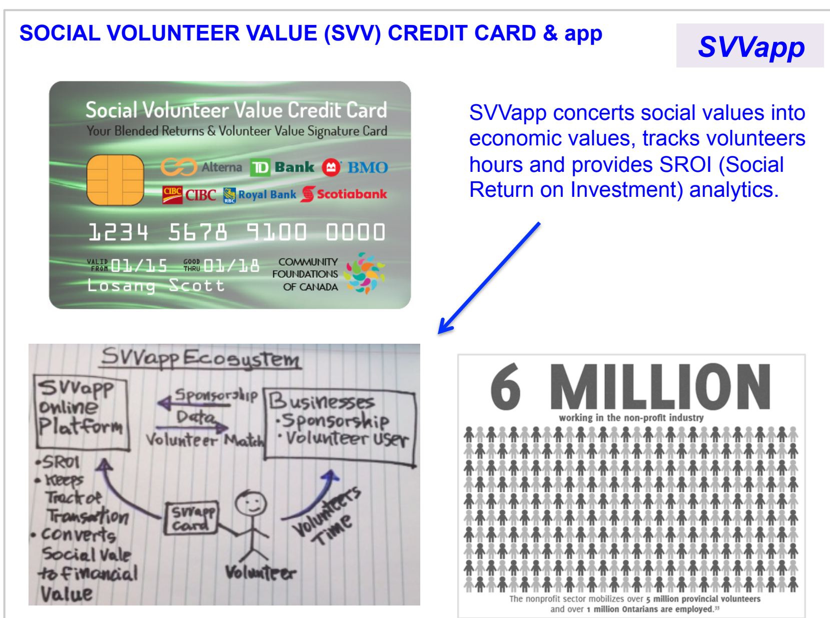
IDEA THREE: SVVapp (Social Volunteer Value app) credit card and app platform

SVVapp would provide a financial vehicle, tracking and converting of social value to financial value through SROI measurement method and metrics.

Service types would include metrics and measurements for:

- SROI evaluation and assessment
- Facilitating, tracking and conversion of social-economic capital
- Data analytics to financial services and governments
- Mobilize volunteer sector

Figure 14: The Social Finance Impact Investing Credit Card



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Appendices

Appendix A: Interview Questions

This project seeks to define the emerging social finance sector, through education, professional activities, and specifically, to understand motivation and mindset, to help enable communities and institutional investment in Ontario. As an interviewee, your perspective as a professional within your field is a valid position, apart of a larger collective social financial knowledge that this project is interested in. A reminder that at any time, you may choose to, if you wish, to stop from participating in the study by letting me know.

INTERVIEW QUESTIONS:
1. What does social finance mean to you or your organization?

2. How important is Social Impact Bonds (SIB) to community (e.g. social enterprise) and institution investment (e.g. traditional investment)?

3. We are interested in how the supply and the demand for capital are align in the social finance market. Please elaborate on how your mission/vision reflects your investment path or objectives?

4. Where do you think social finance education and training should reside? Why?

A) University Business School - MBA Degree Program
B) University Continuing Study - Certificate Program
C) Community College - Diploma Program
D) Social Enterprise Association - Certificate
E) Trusted Financial Institution (Credit Unions, Foundations) - Certificate
F) Private Charted Banks - Professional Certificate
G) Government Tax Regulator Dept. - Professional Certificate

5. Does your organization use social finance measuring methods (e.g. ESG, SROI) for annual reporting?

6. How do you assess the value and knowledge for your product/serves or outcomes?

7. Do you have any thoughts on how to use knowledge as a way to redefine monetary value?

8. What are your educational needs for social finance or current level of education?

Appendix B: Interview Categories and Job Types

	Job Type	Category: Investors Beneficiaries Intermediaries Consultant	Professional Role	Interview Code	Y/N
1	Manager,	Investor	Investment money management	IP#1	Y
2	Coordinator,	Investor	Investment money management	IP#2	Y
3	Manager	Investor	Investment money management	IP#3	Y
4	Director, Economic Development Programs Foundation	Investor	Pooling and investment	IP#4	Y
5	Policy Analyst,	Investor	Investment money management	IP#5	N
6	President, Loan Fund	Investor	Pooling and investment	IP#6	N
7	Wellness Promotion, Community Agency	Beneficiary	Community Service Agency	BP#1	Y
8	Director of Program,	Beneficiary	Social Enterprise, for social innovation development	BP#2	Y
9	Employment Manager	Beneficiary	Employment services provider	BP#3	N

10	Manager at large hubs	Beneficiary	Service provider	BP#4	Y
11	Director, Ontario wide Information Network	Intermediary	National community economic association	Ed. P#1	Y
12	Educator (College Instructors)	Intermediary	Education institution	Ed. P#2	Y
13	Senior Manager	Intermediary	City Government	Ed. P#3	N
14	Director Government Agency	Intermediary	Ontario Government Consortium	Ed. P#4	Y
15	Consultant	Consultant	Consultant: Social Responsible Investment (SRI)	CP#1	Y
16	Consultant	Consultant	Design Thinking, Strategy	CP#2	N

Appendix C: 2010, Canadian Task Force on Social Finance

1. Ilse Treurnicht, Task Force Chair and CEO of MaRS Discovery District

2. Tim Brodhead, President and CEO of The J.W. McConnell Family Foundation

3. Sam Duboc, Chairman of Pathways to Education Canada and Founder of Edgestone Capital Partners

4. Stanley Hartt, Chairman of Macquarie Capital Markets Canada

5. Tim Jackson, CEO of the Accelerator Centre and Partner of Tech Capital

6. Rt. Hon. Paul Martin, Former Prime Minister and Minister of Finance and Founder of Cape Fund

7. Nancy Neamtan, President and Executive Director of The Chantier de l'économie sociale

8. Reeta Roy, President and CEO of The MasterCard Foundation

9. Tamara Vrooman, CEO of Vancity Credit Union

10. Bill Young, President of Social Capital Partners

Appendix D: 2013, Canada's National Advisory Board to the Social Impact Investment Taskforce

1. Ilse Treurnicht, CEO, MaRS Discovery District (Chair)

2. Tim Jackson, Director, MaRS Centre for Impact Investing (Canadian sector representative on the Taskforce)

3. Ted Anderson, former Director, MaRS Centre for Impact Investing (former Canadian sector representative on the Taskforce)

4. Derek Ballantine, CEO, Community Forward Fund

5. Andy Broderick, Vice President, Community Investment, Vancity

6. Tim Brodhead, Interim President and CEO, Pierre Elliott Trudeau Foundation

7. Tania Carnegie, Leader, Impact Ventures, KPMG LLP

8. Wayne Chiu, Founder and Director, Trico Developments Corporation and Chairman, Trico Charitable Foundation

9. Stacey Corriveau, Executive Director, BC Centre for Social Enterprise
10. Garth Davis, CEO, New Market Funds

11. Tim Draimin, Executive Director, Social Innovation Generation

12. Brian Emmett, Chief Economist, Imagine Canada

13. Martin Garber-Conrad, CEO, Edmonton Community Foundation

14. Stanley Hartt, O.C. Q.C., Counsel, Norton Rose Fulbright, former Chairman of Macquarie Capital Markets Canada, and former Deputy Minister, Finance Canada

15. Edward Jackson, Associate Professor, School of Public Policy and Administration, Senior Research Fellow, Centre for Community Innovation, Carleton University

16. Diane Kelderman, President and CEO, Atlantic Economics and CEO, Nova Scotia Cooperative Council

17. Pierre Legault, CEO, Renaissance

18. Marguerite Mendell, Associate Professor, School of Community and Public Affairs, Concordia University
19. Nancy Neamtan, President and Executive Director, Chantier de l'économie sociale

20. Joel Solomon, CEO, Renewal Funds
21. Coro Strandberg, Principal, Strandberg Consulting
22. Rosalie Vendette, Senior Advisor, socially responsible investment at Desjardins Group
23. Jean Vincent, President and General Manager, Native Commercial Credit Corporation
24. Bill Young, President, Social Capital Partners

Appendix E: The Canadian Task Force Recommendations

MaRS Social Innovation Generation. (2010). Canadian Task Force on Social Finance: Mobilizing Private Capital for Public Good.

Recommendation 1: To maximize their impact in fulfilling their mission, Canada's public and private foundations should invest at least 10% of their capital in mission-related investments (MRI) by 2020 and report annually to the public on their activity.

Recommendation 2: To mobilize new capital for impact investing in Canada, the federal government should partner with private, institutional and philanthropic investors to establish the Canada Impact Investment Fund. This fund would support existing regional funds to reach scale and catalyze the formation of new funds. Provincial governments should also create Impact Investment Funds where these do not currently exist.

Recommendation 3: To channel private capital into effective social and environmental interventions, investors, intermediaries, social enterprises and policy makers should work together to develop new bond-like instruments and regulatory change to allow the issuing of certain new instruments and government incentives to kick-start the flow of capital.

Recommendation 4: To explore the opportunity of mobilizing the assets of pension funds in support of impact investing, Canada's federal and provincial governments are encouraged to mandate pension funds to disclose responsible investing practices, clarify fiduciary duty in this respect and provide incentives to mitigate perceived investment risk.

Recommendation 5: To ensure charities and non-profits are positioned to undertake revenue generating, activities in support of their missions, regulators and policy makers need to modernize their frameworks. Policy makers should explore new hybrid corporate forms for social enterprises.

Recommendation 6: To encourage private investors to provide lower-cost and patient capital that social enterprises need to maximize their social and environmental impact, a Tax Working Group should be established. This federal-provincial, private-public Working Group should develop and adapt proven tax-incentive models, including the three identified by this Task Force.

Recommendation 7: To strengthen the business capabilities of charities, non-profits and other forms of social enterprises, the eligibility criteria of government sponsored business development programs targeting small and medium enterprises should be expanded to explicitly include the range of social enterprises.

Appendix F: Alterna Savings Credit Union Seven Cooperate Principles.

1. **Voluntary and Open Membership** Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2. **Democratic Member Control** Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3. **Member Economic Participation** Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

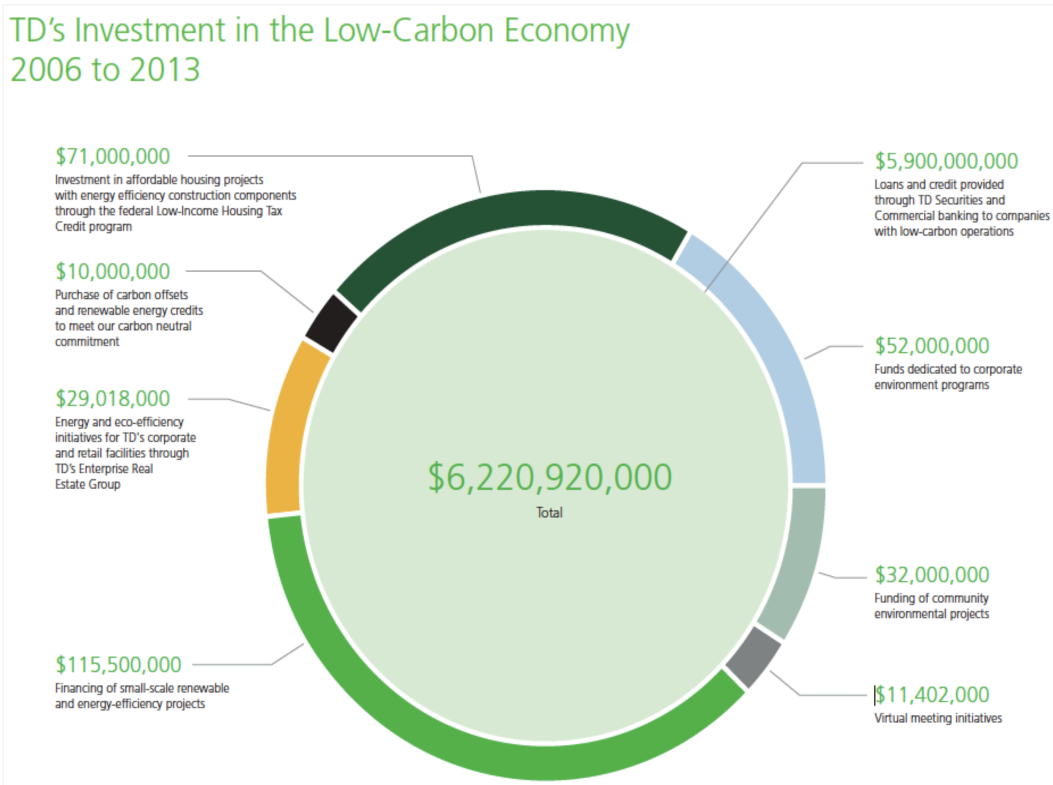
4. **Autonomy and Independence** Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. **Education, Training and Information** Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.

6. **Cooperation Among Cooperatives -** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7. **Concern for Community** While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

Appendix G: TD 2013 Corporate Responsibility Report



Financial Education for Consumers

Social Media

- TD Helps is an online community that encourages Canadians, customer or not, to submit a question and receive information to help make a good financial decision.
- Topics range from buying a home, dealing with debt and budgeting to saving, investing and planning for retirement. Unlike other sites that simply offer FAQs, TD Helps' answers are specific to the questions asked and are provided in a matter of hours.
- We expanded the program in 2013: Assistance TD, brings the TD Helps social media community to French speakers across Canada.
- TD Helps Online will be offered in the U.S. in 2014.

+ View a real example of TD Helps advice

Systematic Savings Tools

- We encourage customers to build their savings through the use of free automated savings plans. Customers pick the dollar amount and frequency of the payment plan; they also have the option to cancel at any time without penalty.
- By the end of 2013, more than two million TD Canada Trust customers had set up an automated savings plan, helping them save more than $3 billion. We will continue our efforts to help customers build a disciplined approach to saving.
- Our automated savings plans include options that are designed to help customers reach their savings goals faster. For instance, Simply Save helps customers save money every time they use their debit card. We have solutions to help customers transfer funds between their banking accounts, as well as a solution to allow them to transfer their funds to a TD Mutual Fund account.

Tools and Resources

- In 2013, we launched Advice on Everyday Finances – a new website dedicated to helping Canadians with money management. The site provides many tips, tools and resources to help users manage their debt and begin a savings program.
- A dedicated Spending Smart at School website provides financial tips and advice for students on navigating the unique challenges of college and university.
- We are also working to make our product materials and website information easier to understand. In the U.S. we offer a simple, easy-to-read, one-page description of chequing fees, based on a recommendation by the Pew Charitable Trusts.

Raising Awareness

- Every November, we launch an ad campaign throughout our Canadian network to raise awareness of the need to improve financial literacy and draw attention to the tools and resources available.

+ Financial Literacy Website

- Across our footprint, TD offers hundreds of free seminars each year on topics such as buying a home and making investments. In 2013, we delivered 386 small business workshops in the U.S., with 8,085 small business owners gaining knowledge about cash flow analysis, business planning and more.

Saving for Tuition

- The Canada Learning Bond (CLB) is a government grant that encourages customers to save for a child's future education costs.
- In 2013, we recognized a need to do more to increase the number of savings accounts with an associated CLB payment. We worked with the government (HRSDC) so that 17,000 TD customers received a personal letter encouraging them to apply for the CLB grant.
- We also took steps to increase internal awareness of the CLB among employees. Since the mailing in July, we have facilitated $1.6 million in CLB payments.
- We recognize there is more work to be done and we will look for ways to improve customer uptake of CLBs and increase the range of investment products that allow for a CLB option.

Measuring Our Financial Impact

In both Canada and the U.S., corporate giving increased from 2012 levels. In the U.K. corporate donations are generated through an employee matching program. The reduction in giving can be attributed to a lower number of employees in the U.K. office compared to 2012.

When measuring our financial impact, TD takes a conservative approach as to what types of donations to include. Our corporate giving total does not include in-kind donations, program management costs (i.e., salaries of the community relations team), marketing sponsorships or the value of hours volunteered by employees.

+ London Benchmarking Group Canada Summary

Corporate Giving

	2013	2012	2011
Canada[1] (millions of Canadian dollars)	**50.9**	45.3	42.6
U.S.[2] (millions of U.S. dollars)	**22.9**	19.5	23.6
U.K. (thousands of pounds sterling)	**55**	64	74

[1] Excludes in-kind donations, such as donated equipment, computers and furniture, and program management costs.
[2] Includes US$16.38 million from the TD Charitable Foundation (2012 – US$15.8 million, 2011 – US$16.2 million).

Community Giving in Canada

Education and Financial Literacy	16.4%
Environment	14.5%
Opportunities for Young People	25.3%
Other	43.8%

Community Giving in U.S.

Education and Financial Literacy	28.1%
Environment	1.1%
Affordable Housing	19.3%
Other	51.5%

Impact Investing

A relatively new term, "impact investing" describes a range of finance and investment activities that have the dual goal of creating positive social impact in their communities and providing a financial return. Impact investments range from clean technology financing, social impact bonds and microfinance to investments in community-based initiatives such as affordable housing, Aboriginal-led businesses and social enterprises.

TD has been committed to the principles of impact investing for over a decade, both within our own operations and through participation in external initiatives. Our activity can be grouped into the the four areas outlined below:

Building on our range of work in impact investing, in 2013 we increased our engagement by finding ways to further promote and support development of this growing industry. Beyond its relevance to TD and our customers, we are eager to play a bigger role in tapping its potential to help resolve some of the complex social challenges we see around us.

Among our activities during the past year, TD became a founding sponsor of the Ontario Catapult Microloan Fund, the first of its kind in Canada to support enterprises that address social, environmental, cultural or economic challenges while generating revenue. This social finance initiative between CSI, the Province of Ontario, Alterna Savings, Microsoft Canada, TD Bank Group, KPMG and Social Capital Partners provides early-stage entrepreneurs and innovators with low-interest loans of $5,000–25,000 and support services such as mentorship.

Responsible Lending	• Environmental and Social Risk Policy • Lending for Renewable Energy Projects
Sustainable Investment	• Signatory to the United Nations Principles of Responsible Investing (UNPRI)
Impact Products	• TD is the largest Canadian green bond underwriter.[1] • Green product offering for customers
Community Development	• Community development loans in the U.S. to help economic development of underserved areas

[1] www.climatebonds.net/2014/01/green-bond-underwriters-league-table-released-for-2013-10-billion-biggest-issuance-year-yet-with-hsbc-morgan-stanley-credit-agricole-and-jp-morgan-on-top/

TD 2013 Corporate Responsibility Report

Financial Literacy and Education

Targets

2013 Target	Rating	2013 Result	2014 Target
Help 100,000 participants improve financial literacy through a TD-sponsored program.	●	125,410 people reached through a TD-sponsored financial literacy program.	Reach 150,000 in 2014. Reach 200,000 in 2015.
Help 10,500 students pursue post-secondary education in Canada through TD-funded outreach programs.	●	11,309 students reached.	Continue target into 2014.

Goals

Work with community organizations to raise financial literacy levels, with a focus on underserved communities.

Promote access to post-secondary education.

Financials

$2.9 million

donated to support financial literacy initiatives across North America and the U.K.

$3.6 million

given for bursaries and scholarships to create access to post-secondary education.

2013 Highlights

- In London, Ontario, TD volunteers delivered a two-hour financial literacy program to more than 50 students at Western University. We are exploring ways to expand this pilot program to more university students.
- For the 18th year, 20 exceptional young Canadians were selected as TD Scholars for Community Leadership, each receiving an award valued at $70,000 that covers both tuition and living expenses and includes summer employment for four years.
- We contributed $15,000 to Rutgers Business School's Center for Urban Entrepreneurship & Economic Development in New Jersey. The funding is for the Entrepreneurship Pioneers Initiative, which provides participants with intensive training, business and financial counselling, and mentoring to help them grow and improve their businesses.
- TD WOW!Zone is our signature financial education program in the U.S. Approximately 1,800 trained TD Bank instructors volunteer an average of 320 hours each month to teach students the importance of building good financial habits early in life. More than 1.2 million American students have learned valuable money skills since the program was launched in 1990.
- TD has an ongoing relationship with SEDI and the Canadian Centre for Financial Literacy (CCFL). To date, the TD Financial Literacy Grant Fund has awarded approximately $8 million to 105 diverse community organizations across Canada. Grants are awarded for innovation, research and development, and strategic program development in the area of community-based financial literacy. A few examples of grant recipients include:
  - Credit Counselling Service of Sault Ste. Marie;
  - The Immigrant and Refugee Community Organization of Manitoba; and
  - The Prince George Aboriginal Business Development Association.

Additional Links

- Summary of TD's flagship financial literacy and education programs
- TD WOW!Zone
- TD Scholarships for Community Leadership

Appendix H: MBO's Environmental, Social and Governance Report and Public Accountability Statement, 2013

Social Impact

Our Approach

As one of the largest financial institutions in North America, we have the ability to make a positive difference in the lives of our customers and our communities. We do this by providing products and services that are tailored to meet the needs of underserved communities like seniors, students and people new to the country. We also provide access to financial services for Aboriginal communities and businesses in Canada.

Access to Banking for Aboriginal Communities

We operate 14 BMO branches▲ located on Aboriginal reserve land or Inuit territories in Canada, providing Aboriginal communities and businesses with the tools they need to become self-sufficient. We are a participating lender for First Nations that qualify for the First Nation Market Housing Fund, established by the Government of Canada to give First Nations members greater access to housing loans on-reserve and on settlement lands.

Support for Newcomers to Canada

As part of our commitment to making it easier for newcomers to build a new life in Canada, we've designed the BMO NewStart™ Program, which includes a free banking plan for one year, a specially designed mortgage, and tools that help newcomers to Canada get established financially.

Support for Small Business

Our Open for Business campaign, launched in 2012, made up to $10 billion in financing available to Canadian businesses over three years, helping them improve productivity and expand into new markets.

Not-for-Profit Organizations

In Canada, we offer a Community account to local and not-for-profit organizations, including societies, lodges, church groups, sports and business clubs and local chapters of national non-profit organizations. These interest-bearing deposit accounts provide 20 transactions per month at no charge, as well as several lower-cost features.

Further information: www.bmo.com/home/small-business/banking/accounts/choose/community-account

In the United States, we offer a checking product with no monthly maintenance fee to local and not-for-profit organizations.

	2013	2012	2011
Community accounts (Canada)	**64,136**	63,285	62,090
Checking accounts (U.S.)	**19,876**	–	–

Free/Discounted Accounts

We also provide the following free/discounted accounts:

	2013	2012	2011
Seniors (Canada)	**1,019,970**	1,007,666	985,378
Students (Canada) (university and high school)	**470,349**	399,798	112,990
Students (U.S.)* (college students)	**50,966**	–	–

* College students are provided with a fee waiver that is good for four years.

BMO and the Canadian Defence Community

BMO has been the official bank of the Canadian defense community for the past five years. In partnership with Canadian Defense Community Banking (CDCB), we offer products and services specifically designed to meet the needs of military members and veterans and their families. The program saves members of the defense community approximately $1 million in banking fees every year.

MBO's Environmental, Social and Governance Report and Public Accountability Statement, 2013

BMO's ESG Scorecard

Definitions for each indicator are listed in the **Glossary of Terms** on pages 50–52

	Target	2013[1]	2012[1]	2011[1]
Environmental				
Renewable energy financing:				
i. Involvement in equity and debt financings ($ billions)		$1.8	$3.6	*
ii. Lending commitments ($ billions)		$1.7	$1.6	*
Operational footprint:				
a. Renewable energy purchases (MWh)▲	New 3-year commitment	115,197	115,213[4]	115,213[4]
b. Scope 1 emissions (tCO_2e)	10% reduction by 2016	TBD[2]	20,933	21,151
c. Scope 2 emissions (tCO_2e)	10% reduction by 2016	TBD[2]	86,853	65,603
Social				
Employees:				
a. Diversity and Inclusion:				
i. Women executives – Canada & United States (%)▲	40% by 2016	30	33	34
ii. Visible minority employees – Canada (% in senior and executive roles)▲	25% by 2016 (N.A.)	22	21	20
iii. People of colour – United States (% in senior and executive roles)▲	Included in above target	7	7	8
iv. Persons with disabilities – Canada (% of total workforce)▲	3.8% by 2016	2.8	2.5	2.4
v. Aboriginal employees – Canada (% of total workforce)▲	1.5% by 2016	1.3	1.4	1.4
b. Employee Engagement Index (EEI)(%)▲		78[3]	75	76
c. Turnover rate:				
i. Canada (%)▲		10.5	9.8	8.0
ii. United States (%)▲		12.9	11.8	9.2
Community Investment:				
a. Donations ($ millions)▲		56.0	55.7	38.5
b. Community Development Loans United States (US$ millions)		536.7	–	–
c. Community Development Investments United States (US$ millions)		178.9	139.8	39.3
Governance				
Board Diversity:				
a. Women on Board of Directors (%)	No less than 1/3	33	33	25
Business Conduct:				
a. Ethics training (% completion)▲		98.9	98.8	99.2
b. Significant fines/monetary sanctions for non-compliance[5]▲	none	0	0	*
c. Incidents of discrimination (from external bodies)▲		24	21	24

Legend:

1 Fiscal year (November 1 to October 31)
2 Available online in June 2014 at: Environmental Performance
3 New provider and new survey in 2013
– Not publicly disclosed
* Began reporting on this metric in 2012
4 Part of a 3-year contract
5 A fine is classified as "significant" if it is greater than $500,000 in monetary value and deemed by the external regulatory body to relate to unethical business practices by BMO.
▲ 2013 data externally assured (KPMG's Assurance Statement is on pages 53-54)

CIBC's Corporate Responsibility Report and Public Accountability Statement, 2013

CIBC

CIBC 2013 Corporate Responsibility Report
and Public Accountability Statement

Overview | Economic | Environment | Social | Governance | GRI Index | Public Accountability Statement | Downloads

Financial Literacy

Every day, CIBC employees help Canadians make sense of their finances by strengthening the knowledge, skills and confidence they need to make responsible and sound financial decisions. While much of our expertise is shared in the branch, CIBC employees take their knowledge on the road, volunteering time to support financial capability for those in need in our communities, with a special focus on educating Canada's kids and young adults to build a better future:

- **CIBC's SmartStart Program** helps kids learn the basics about money management and also provides them with free banking and important financial advice. The **SmartStart Parents Kit** includes a comprehensive series of age-related workbooks that parents can use to teach kids about financial basics, money management, investing and saving for the future;
- Branches across the country shared **CIBC Money Smarts for Students** with 33 CIBC Youthvision scholarship winners; **Learn more**
- CIBC employees delivered **Your Money** seminars in classrooms across Canada over the last year, helping high school students understand finances, credit and basic budgeting tools;
- Hundreds of CIBC employees support financial and business education through the delivery of Junior Achievement's many elementary and high school programs across Canada;
- From seminars supporting homeless youth in shelters in Atlantic Canada to helping newcomers in Western Canada, many of our employees share financial literacy to help those in need in our communities;
- We offer several online financial tools to Canadians such as our Rent vs Own tool, which allows clients to calculate the relative costs and benefits of renting a home versus buying one;
- Our **Home Borrowing Seminars** help educate home buyers on the various financing options available to them and key partners in the home buying process; and
- CIBC regularly shares consumer poll findings through the media, highlighting financial issues that matter to Canadians and offering advice on how Canadians can reach their long-term financial goals. Over the last year, these poll findings generated national attention on issues such as debt management and the future of retirement in Canada, while conveying helpful advice to Canadians on managing their finances in relation to these issues.

CIBC Wealth Management conducted a number of polls throughout 2013 to help Canadians better understand their readiness for retirement and investment planning solutions. The polls offered an opportunity to educate Canadians about today's complex and uncertain markets, as well as the importance of generating income within RRSP portfolios, budgeting and planning for retirement, and saving for children's post-secondary education.

Jamie Golombek, CIBC's Managing Director, Tax and Estate Planning, is frequently quoted in the Canadian media, offering helpful tips and advice to Canadians on how they can better manage their finances, reduce the taxes they pay, and better plan for their retirement and estate transition. He also provides information on various financial topics through his appearances on *The Marilyn Denis Show*, regular reports available on cibc.com and in a weekly "Tax Expert" column in the *National Post* and other Postmedia newspapers across Canada.

Appendix J: RBC, Public Accountability Statement, 2013

Community Development

RBC™ is consistently recognized as one of Canada's leading corporate citizens, thanks to our philanthropy, community development and environmental programs, and the involvement of our employees.

Goal and overview

The goal of our community development and environmental programs is to have a positive and measurable impact on the communities where we live, and on the health of the planet. We have five activities that fall into this category:

- **Donations** to registered charities as gifts, without the expectation of an economic return.
- **Community investments**, such as gifts in-kind (including philanthropic activities other than charitable donations).
- **Sponsorships** that align with our brand and business goals, and/or deliver social, environmental or economic benefit.
- **Volunteer efforts** of employees and retirees with financial support from RBC for their charitable partners and other employee activities in support of community development.
- **Financial products and services** that generate social and environmental benefits as well as financial returns.

Donations

We support a broad range of causes in virtually all charitable sectors. We provide deeper and more significant support for key causes we believe are important to our clients, businesses and employees.

Our key giving areas include:

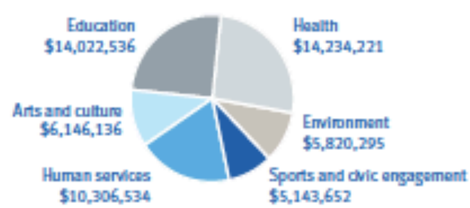
- **Education** – Donations to organizations that offer educational programs for all ages. In Canada, our education focus is on providing support for after school programs.
- **Health** – Donations to hospitals and other health care centres in support of our vision to help create healthy communities. Our primary focus is on providing support for children's mental health programs.
- **Human services** – Donations to federated appeals, food banks and other organizations that help look after basic human needs.
- **Arts and culture** – Donations to arts organizations of all kinds, with a focus on providing support to emerging artists, and helping them bridge the gap from academic success to professional achievement.
- **Environment** – Donations to organizations to promote environmental sustainability, with a focus on projects that protect water in urban or urbanized areas.
- **Sports and civic engagement** – Donations to organizations that support amateur sports from grassroots programs to elite athletes competing at the Olympic Games; and donations to organizations that support community economic development, citizenship and newcomers to Canada.

Total charitable donations – 2013

We donated $55.7 million to registered charities in Canada.

In accordance with our commitment to Imagine Canada's Caring Company Program, we invest a minimum of 1 per cent of pre-tax domestic profits in support of charitable and non-profit endeavours in Canada.[1]

2013 Charitable donations (Canada)



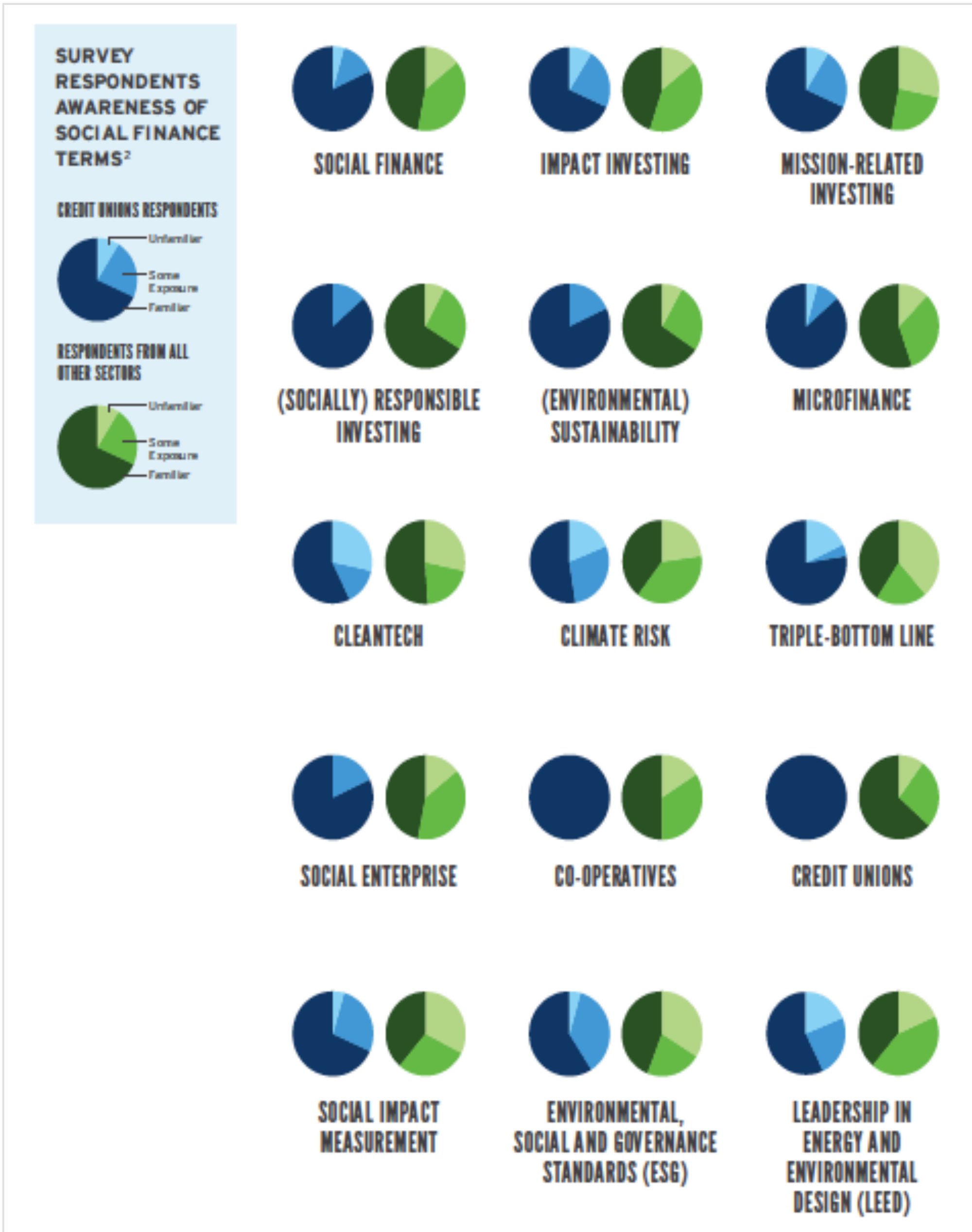
[1] As measured on a five-year rolling average. The calculation includes charitable gifts as defined by the Canada Revenue Agency, contributions to non-profit organizations, community benefit sponsorships, employee hours volunteered during working hours, gifts in-kind and community investment management.

Examples of our Canadian charitable donations in 2013:

- **$5.8 million to 141 organizations** through the **RBC Blue Water Project™** to support organizations that protect urban water systems and watersheds, ensure access to clean drinking water and promote responsible water use.

  For example, we provided **$50,000** to **Green Communities Canada Foundation** to replace pavement with permeable surfaces in Peterborough, Ontario. Permeable surfaces act as a natural filter and sponge to slow down and reduce stormwater runoff. Program

Appendix K: Human Resources and skills Development Canada (HRSDC), 2012 Social Finance Awareness and Opportunities in the Canadian Financial Sector



Appendix L: The Seven SROI Principles. SROI Network, (2012). A Guide to Social Return On Investment

1. Involve stakeholders. Stakeholders should inform what gets measured and how this is measured and valued.

2. Understand what changes. Articulate how change is created and evaluate this through evidence gathered, recognizing positive and negative changes as well as those that are intended and unintended.

3. Value the things that matter. Use financial proxies in order that the value of the outcomes can be recognized.

4. Only include what is material. Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.

5. Do not over claim. Organizations should only claim the value that they are responsible for creating.

6. Be transparent. Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.

7. Verify the result. Ensure appropriate independent verification of the account.

Appendix M: Case example - YMCA Elm Street Community Housing Bond. MaRS Centre for Impact Investing - Mission Impossible Report on Canadian Foundations (Nixon, T., 2013).

Case Example: YMCA Elm Street Community Housing Bond

In late 2011, the YWCA Toronto issued an innovative community-housing bond (promissory note) worth $1 million as part of their financing strategy for a new site on Elm Street in Toronto. The bond was set at a 4% fixed interest rate over 10 years, and was purchased by the Muttart Foundation, a private foundation based in Edmonton, as part of their program related investment portfolio. In leveraging social finance, the YWCA was able to save significant money due to the lower cost of borrowing this option presented. The new building opened in May 2012: the housing units are targeted at single low-income women, women with children, women living with mental health and addiction issues, and families of Aboriginal ancestry.

Appendix N: Microfinance History in Canada - chronology of important dates. Source: MaRS and Purpose Capital State of the Nation (2013). Impact Investing in Canada.

CREDIT UNIONS	1901	North America's first credit union, Caisse populaire de Lévis, is founded
	1946	Vancouver City Savings Credit Union is founded
CO-OPERATIVES	1861	Stellarton Co-operative, a mutual fire insurance company, is formed
	1971	Caisse d'économie solidaire Desjardins is founded
SOCIAL ECONOMY	1986	Development of Aboriginal Financial Institutions
	2007	Fiducie du Chantier de l'Économie sociale is created in Québec
COMMUNITY ECONOMIC DEVELOPMENT	1987	Government of Canada creates Community Futures Program
	1990	Community Economic Development Investment Funds (CEDIFs) are created
MICROFINANCE	1990	The first Canadian microfinance institution, Montreal Community Association is established
SOCIALLY RESPONSIBLE INVESTING	1997	Global Reporting Initiative (GRI) is launched
	2006	The UN Principles of Responsible Investment (PRI) are launched
IMPACT INVESTING	2007	Rockefeller Foundation coins the term "impact investing"
	2010	Canadian Task Force on Social Finance recommendations issued
ENABLING LEGISLATION	2012	Nova Scotia introduces the Community Interest Companies Act
	2012	British Columbia recognizes "Community Contribution Company"