



**United Way
Lower Mainland**

The Honourable Shane Simpson
Minister of Social Development and Poverty Reduction
Room 247 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister;

Re: Social Purpose in Business

The United Way of the Lower Mainland (UWLM) is pleased to support your government's efforts to reduce poverty in BC and commends you for your leadership in developing a long-overdue Poverty Reduction Strategy. We agree with you that many people struggle to make ends meet, earn a living wage, or find and keep affordable housing. Many families lack the basic necessities, relying on food banks, going hungry or sending their children to school hungry.

We know that you are interested in social innovation and the social benefits that can be generated from doing business differently – through procurement, through social enterprises, and through new partners coming to the table with new resources and ideas. We share your enthusiasm for new thinking. We are similarly revisiting our core purpose as we attempt to ensure the United Way's mission remains relevant and impactful in the years ahead. As a result of our exploration into our own mandate, relationships and impacts, we are reimagining our long-standing relationships with the business sector to engage more deeply with business in social impact.

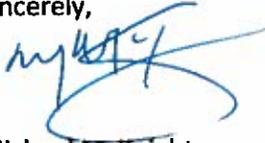
As you know, the United Way has successfully raised tens of millions of dollars a year from the corporate sector, and partnered with corporate donors on many initiatives over the decades. However, we recognize that businesses are changing and seeking greater impact from their contributions, and initiatives more aligned with their core business. Thus, we have been piloting a new relationship with business over 2016 and 2017 which has been favourably received. We call this the "Social Purpose Business". We believe that UWLM, in collaboration with the United Way movement across BC, is positioned to leverage its 80+ years of community engagement with business in communities to support business in its evolution to create greater social benefits – by adopting a social purpose as its core purpose and embedding it into everything it does. This includes its procurement, hiring, products, operations, marketing, investments, capital projects, workforce engagement and partnerships, among many other functions (notably not just its philanthropy). We anticipate these businesses will increasingly seek opportunities to engage in social innovation and collaborations to address social issues through their core business and become allies in pursuing progressive social public policies with their community sector partners.

Because of our experience this past two years, and the positive reception we have received from the business community on our efforts, we are submitting our ideas on how to accelerate a Social Purpose Business movement in BC to your Poverty Reduction Strategy Consultation. Our experience with business



leaders to date convinces us that this is an idea whose time has come. We hope your government will be interested in this social innovation and wish to join us in our endeavour. We believe, together, we can accelerate and scale social innovation in business. By combining our ideas and resources, we can make a meaningful difference to community well-being in BC.

Sincerely,

A handwritten signature in blue ink, appearing to read 'mcknight', with a large, stylized flourish underneath.

Michael McKnight
CEO, United Way of the Lower Mainland





United Way of the Lower Mainland

Consultation Response

BC Government Poverty Reduction Strategy

March 9, 2018

Introduction

We are pleased to submit our recommendations to BC’s Poverty Reduction Strategy Consultation. This specific submission focuses our input on one aspect of Poverty Reduction: the mobilization of the private sector to contribute to social well-being and poverty eradication through their core business, an approach we refer to as “the social purpose business”. We believe that by mobilizing the business sector to contribute to social well-being through their core business, this will aid in poverty reduction and enhance economic and social inclusion in the Province.

We offer a number of recommendations for how the Provincial Government can foster an enabling environment to encourage the growth of companies that have an authentic social purpose and embed it into everything they do. We believe that with more companies contributing to social sustainability through their core business, not just their philanthropy, in ways that create business value, we can unleash social innovation, increased resources and new partners for social value creation. By fostering community success in this way, poverty can be reduced, and people, business and communities can thrive. Social purpose businesses can complement the important role played by governments, charitable and non-profit organizations in helping contribute to healthy communities and a more socially inclusive Province.

Context

According to [research](#) we have conducted into this emerging strategic business concept, we define a social purpose business as a “*company whose enduring reason for being is to create a better world. It is an engine for good, creating social benefits by the very act of conducting business. Its growth is a positive force in society.*” In our local communities we see that increasingly corporate donors seek greater social impacts from their investments, and wish to engage their organizations more holistically in contributing to community well-being, e.g. through their procurement, hiring, products, capital projects, investments, etc. The social purpose business concept differs from the traditional business tools of corporate philanthropy and volunteering as a means of contributing to community quality of life, in that by adopting and embedding a social purpose, all of a company’s assets, resources and relationships contribute to its social ambition, not just its donations and employees. We are experimenting with measures to help businesses on this journey, including, for example, by identifying the [business case for social purpose](#).

*Our **theory of change** is that if more businesses adopt and activate a social purpose, this will result in considerable social innovation and mobilize greater resources to tackle entrenched social issues in BC communities.*

Our theory of change is that if more businesses adopt and activate a social purpose, this will result in considerable social innovation and mobilize greater resources to tackle entrenched social issues in BC communities. Social purpose companies can be led by, or benefit, traditionally under-represented populations in the economy, and those who should benefit from the innovation economy, such as women, Indigenous Peoples, newcomers, people with disabilities, etc. Social purpose companies can lead, innovate, finance and champion measures to help BC play its part to address the UN Sustainable Development Goals. Without the private sector, their achievement is remote.

United Way envisions a future in which a growing number of businesses choose to embrace and incorporate a social purpose into their core business. While we would not be prescriptive on which social purpose a business should pursue, we do expect that by adopting social purposes, more

businesses would advance along a continuum to place social values into the heart of their companies – and a new business ethic or norm would be created. These businesses will help address income inequality, poverty, isolation, mental health, school readiness and other social issues which are core to their business model and value propositions – not as silo'd philanthropic undertakings.

We believe that the right enabling environment will jump-start the growth and scale of social purpose businesses across the province and beyond. With awareness, education, partners and incentives, more businesses will become social purpose organizations, and thereby contribute to social innovations in collaboration with the public and non-profit sector.

In our view, with over eighty years of experience mobilizing community assets for social change, the time is ripe to raise awareness of this approach to business; social purpose business is an indispensable tool in the social innovation toolbox. Done well, with these enabling supports and policy measures, not only will communities benefit, but so too will business and the economy. By embracing a social purpose, BC companies can realize improved innovation, competitiveness and productivity, open new markets, strengthen the pride of British Columbians, and enhance the Province's reputation across the country and around the world. This new energy will foster a virtuous circle, in which stronger business generates greater social impact, which drives business results and stronger communities, in an ongoing positive feedback loop. This is not a quick-fix solution to the issues of poverty and inequity, but a long-term approach to creating caring and inclusive communities in which business is a part of community, not apart from community.

We are pleased to submit the following recommendations to the BC Poverty Reduction Strategy Consultation. Our submission includes a letter of support from the City of Vancouver.

**Social Purpose Businesses:
Fostering an Environment for Growth and Innovation**

In the table below, we share our top recommendations for stimulating the growth of social purpose business models – key measures to reduce their cost and risk and enhance the value creation potential for business to pursue a social purpose in their core operations. We believe that by mobilizing the business sector to contribute to social well-being through their core business, this will aid in poverty reduction and enhance economic and social inclusion in the Province.

Main Recommendation:

We recommend that the Province identify a range of supports to create an enabling environment for social purpose businesses to help them activate, expand, grow and scale.

The following table is an at-a-glance summary of the objectives the Provincial Government can pursue to create an enabling environment for social purpose business and stimulate the private sector to pursue social purpose models. They are elaborated upon under “Detailed Recommendations” below.

Public policy objectives to create an enabling environment for social purpose business	
Policy Objective	Business Benefit
A. Increase Awareness of the Social Purpose Business Model	Build their brand
B. Create Demand for Social Purpose Business	Increase their sales
C. Provide Incentives for Social Purpose Business	Save them costs
D. Support Social Trends Research to Inform Social Purpose Strategy	Improve their risk management

Detailed Recommendations:

We recommend that the BC Government pursue the following eight public policy measures to foster an enabling environment for social purpose businesses. These four policy areas and corresponding eight policy measures represent our top recommendations to advance the social purpose business model in BC and unleash social innovation and social benefit from within the private sector to help create the conditions for poverty reduction in BC.

1. Signal significance of Social Purpose Business idea by including it in Poverty Reduction Legislation

If the Province pursues Poverty Reduction Legislation, this is a key opportunity to signal the significance of social purpose business, and therefore we recommend:

- **Signal:** Include a specific section devoted to social purpose businesses in Poverty Reduction Legislation with explicit provisions designed to support their growth and development. This section would define the principles, criteria and qualifications of a social purpose business.
- **Role Model:** Either within the legislation or separately, the Province should require that all provincial crowns and agencies adopt an explicit social purpose and embed it in everything they do, as a catalyst and role model for the private sector.

2. Stimulate growth of Social Purpose Business by sourcing from them through Social Procurement

If the BC Government encourages social innovation through its procurement, we recommend:

- **Signal:** Signal to the marketplace the Provincial Government is interested in sourcing from socially innovating suppliers, such as social purpose businesses, along with social enterprises.
- **Build Capacity:** In collaboration with the United Way, provide training to government vendors on how to adopt a social purpose and embed it into a company's core operations.
- **Buy and Collaborate:** Make social impact an explicit public procurement evaluation criterion, either as a minimum requirement, or weighted as 10 – 25% of the overall bid evaluation. One approach could be to make having a publicly disclosed social purpose statement a minimum bid requirement. Further, the government should collaborate with its existing suppliers to stimulate their social innovation and increase their awareness of social purpose business models.

3. Provide financial incentives for Social Purpose Business through Private Sector Support

The Provincial Government has a range of potential policy tools and programs that could be employed to inspire and support the private sector to pursue social purpose, including:

- **Incentives:** Explore and identify what incentives could encourage and support development of social purpose business. For example, offer an R&D Tax Credit for Social Innovation to qualifying social purpose businesses, and include social innovation and impact in existing relevant Provincial Government programs that support private sector start-up and growth.
- **Research Support:** Fund leading provincial industry associations to identify social trends and mega-forces that will affect business viability over the next 10-20 years, so they can prioritize social issues to address in their markets. Leveraging open data and in support of evidence-based decision-making, analyze government social trends research and data and package it in accessible formats for business and industry to inform their social innovation and social purpose strategies.

4. Raise Awareness of Social Purpose Business opportunities and benefits

In order for the Provincial Government to raise awareness of social innovation in the private sector and increase interest in the social purpose business model, we recommend:

- **Signal:** Engage leading BC-based industry associations to create case studies to profile their top social purpose members and promote replicable models to their membership. Case studies of businesses developing and activating a social purpose is an essential pre-requisite for growth of social purpose companies in BC. Case studies should include the business case and drivers for adopting and pursuing a social purpose.

March 1, 2018

The Honourable Shane Simpson
Minister of Social Development and Poverty Reduction
Room 247 Parliament Buildings
Victoria, BC
V8V 1X4

Dear Minister Simpson:

RE: BC Poverty Reduction Strategy

I am writing to express the City of Vancouver's support for your government's commitment to develop a Poverty Reduction Strategy for the Province, and to support the United Way's submission to your consultation process.

Together with the United Way, we recognize that new and innovative approaches are required to tackle social issues in our city, unleash breakthrough ideas and forge new paths forward. The United Way, who participate on our Healthy City Leadership Table, approached us recently to help launch their new Social Purpose Business Initiative in the Lower Mainland. We see this as a great example of how local government can work together with philanthropic and business sectors to leverage opportunities for innovation.

The United Way's initiative will support businesses to adopt and activate a social purpose, contribute to social innovation and unlock new resources to tackle social issues in BC communities.

The response from business sector leaders in Vancouver has been positive. Last June I was privileged to co-host with the CEOs of the United Way and Mountain Equipment Co-op (MEC) a breakfast consultation on the idea of Social Purpose Business with CEOs of companies. I heard first-hand from Vancouver's business community who expressed enthusiastic support for the Social Purpose Business concept. Some have already joined a United Way cohort to co-innovate social purposes for their companies in 2018. We are also reaching out to other local governments in the region to encourage their collaboration. The City of Surrey is on board, and we expect other municipalities to join. We envision that this model could be replicated with other cities across the country.

We are excited at the opportunity to support the United Way's recommendations on how the Province can use its policy tools to create an enabling environment to encourage the private sector to adopt and activate a social purpose. We believe this is both good for business and good for communities. Most importantly, it will stimulate businesses across BC to contribute materially to the United Nations Sustainable Development Goals - as not only a philanthropic endeavour, but as a fundamental business imperative.

Please feel free to contact me if you have any questions regarding the City of Vancouver's Social Purpose Business partnership with the United Way or their submission to your consultation process.

Yours truly,



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