



Work Integrated Social Enterprises (WISEs): establishing the case for stable and long-term investment of social costs

The purpose of this backgrounder and call to action is to articulate the need for stable, non-repayable funding for social enterprises in BC that focus on the provision of training and employment opportunities for people who aren't (yet) a fit for traditional employment.

Training and employment opportunities for people who are traditionally excluded: situating WISEs within the context of social enterprise

Social enterprise isn't new. Consider: thrift stores, hospital cafeterias, ticketed drama or dance productions, and museum shops.

That said, two expressions of social enterprise are more recent.

One iteration has community-based groups such as non-profits and charities running any business under the sun: like catering, property management, food franchises, consulting, and event planning. Their focus is on profit generation for the parent organization: with profits deployed by these groups to 'do more' of their mission, and amplify their impacts.

A second type of social enterprise exists to provide training and employment opportunities for people who are traditionally excluded from the mainstream economy. This specific type of social enterprise is sometimes referred to as a Work Integrated Social Enterprise (or 'WISE' for short).

WISEs: their unique distinctions and the benefits that they generate

WISEs provide support and training to a diverse group of people who are challenged to find work with mainstream employers. WISEs are a safe place for people. WISEs offer an environment and support that fosters inclusion: building confidence and skills that can ladder our most vulnerable residents to connections with community, services, and other employment opportunities.



WISE workers face multiple barriers to employment. They include people with physical and intellectual disabilities; newcomers and refugees; Indigenous people; youth; former inmates; People of Colour; those experiencing poverty; and more.

These ventures differ from traditional businesses (and employers), as they:

- ✓ do not hold profit generation as a primary goal;
- ✓ incur significant additional costs to operate (aka 'social costs'); and
- ✓ view worker transition to other employers as a success indicator.

WISEs fill the gap between the demand for work, and the supply of employment in communities. They provide patient workplace support and foster soft skills, while prioritizing worker accommodation. WISE 'success' could look like the provision of long-term employment for folks who need it; or the transition of WISE workers to permanent employment with traditional employers. In many cases, the same WISE offers both options under the same roof.

WISEs represent at least one-third of all community-owned social enterprises operated in Canada¹.

¹ This is a conservative estimate. [A 2014 report](#) suggests that of 121 BC social enterprises surveyed, 32.2% cite employment development as a purpose, along with 23.1% that articulate training as a purpose. [A 2016 report](#) polled 1,350 Canadian social enterprises, which identified 76% of its employees

The funding need: investment in social costs

WISEs focused on supporting people with diverse abilities tend to incur, on average, 33% greater costs² as compared to a mainstream business selling exactly the same good or service.

Known as 'social costs'³, these can include expenses related to adaptive tools; inventory and time 'wastage'; additional supports such as soft training, additional space, and transportation costs; plus staff costs associated with supporting the workers.

The social costs incurred to operate a WISE are not temporary. They are not to be confused with one-time outlays that may be required to launch a social enterprise or any other business. **Social costs are permanent costs, and not a signal of social enterprise failure. Social costs are the expenses needed to support vulnerable workers.**

Because these social costs (by virtue of being ongoing expenses) erode profit, WISEs typically wouldn't be a fit for repayable loans⁴.

Social costs of WISEs support the provision of training and employment, which generates positive knock-off effects for the economy while also lightening the load on social programs and government systems. Social costs of WISEs should be viewed by the community sector, and presented to governments and other funders, as worthy – and crucial – investments.

Government and funder investment in the social costs of WISEs, in the form of non-repayable and ongoing grants, represents a solid social return on investment (SROI).

as 'mission-focused employees'. Social enterprises representing specific sectors (such as Community Living) would likely report a higher focus on training and employment of people served than most others (as compared to, for instance, sectors such as arts, health, justice, and sport).

² Shamash, S. (2010) *Social Enterprise: Creating Jobs and Community Wellness One Small Business at a Time*, UBC Sauder School of Business.

³ We're indebted to Anne Jamieson, formerly of Toronto Enterprise Fund (now retired), for promoting and sharing the notion of 'social costs' of WISEs and how to calculate them; plus the position that 'WISE sustainability' can be expressed as: business costs being covered through sales, and social costs being covered through subsidy. Anne's clearly expressed concepts illustrate that WISE profit generation and employment / training impacts can be conflicting goals. For Anne's SFU presentation entitled *Sustainability is not Self-Sufficiency: the social costs of social enterprises*, [click here](#).

⁴ The Federal government's [Social Finance Fund](#) is expected to roll out sometime in 2026. The \$755M initiative will offer repayable investment to social enterprises (i.e. loans). This financing is not a fit for WISEs, which require ongoing, non-repayable investment to cover their social costs.

The SROI flows from the savings reaped (and tax income generated) by virtue of employment.

We suggest that the social return on investment of WISEs is approximately 1:2.5 – meaning that for every dollar invested, \$2.50 of value is generated⁵.

Such systems savings are connected to a lessened reliance on the social safety net, which includes housing supports, and the health, social assistance, and justice systems. Employment is also an economic generator, as gainful employment enables individuals to become rate payers within their communities.

WISEs face trade-offs: funders should understand and support this

WISEs remunerate workers, with best practices meeting or exceeding the requirements of [BC Employment Standards](#); hold training and/or employment as their primary purpose; and prioritize social inclusion opportunities for their team.

Often, WISE operators must make operational decisions that run counter to traditional business decisions. Take, for instance, a WISE that provides training and employment opportunities in the field of food production. A 'smart business decision' would involve mechanization of production. A WISE operator would think twice about mechanization, particularly where it reduces work opportunities: both the amount of jobs, and their quality.

WISEs by the numbers

In February 2024, the [BC Centre for Social Enterprise](#) polled representatives from agencies that attended an in-person Social Enterprise Symposium held in Surrey, BC. The focus at this event was specifically WISEs that provide training and employment opportunities to people with intellectual and developmental disabilities (i.e. the Community Living sector).

The final sample size was too small to establish trends, but the patterns remain useful.

⁵ This is a conservative SROI estimate, derived from reports that attempt to quantify the SROI on [supported employment](#) initiatives. We presume that the SROI connected to WISEs would be higher than that of supported employment, as WISE beneficiaries tend to be unprepared for employment in mainstream businesses and institutions. In other words, people who are a fit for the assistance of a WISE tend to be more reliant on the systems, supports, and institutions that factor into the cost savings that are reaped from investing in WISE impacts.

- ✓ A majority of social enterprises operated by the participating (Community Living) agencies are WISEs.
- ✓ Most have been operating for between 10 and 25 years.
- ✓ Slightly more social enterprises sell goods as opposed to services. One-third offer both.
- ✓ The most common offerings include: food, junk removal, and landscaping.
- ✓ At least half operate in a commercial space (not at the site of the parent agency).
- ✓ Most operate their enterprises as a project embedded within a charity.
- ✓ The majority pay workers minimum wage or more⁶.
- ✓ The ventures employ two people with diverse abilities, for every worker without barriers.
- ✓ Most create five or more positions for people with diverse abilities.
- ✓ Most training WISEs offer up to a year of training within the WISE.
- ✓ More than half of respondents rely on government funding; and over one-third support the enterprises with the surplus of their own organization.
- ✓ The top challenges identified by WISEs were funding and promotion.



The benefits of WISEs

A key report⁷ cites specific benefits generated by British Columbian WISEs. To quote:

Individual benefits:

- ✓ Self-actualization
- ✓ Social inclusion

⁶ At time of writing, the earnings cap for a single person with the Persons With Disabilities (PWD) designation is [\\$16,200 annually](#). This means that over and above their disability assistance payments, they can earn up to \$16,200 per calendar year, without eroding their disability assistance amounts. Any earnings over the annual cap are clawed back dollar-for-dollar from the disability assistance payments.

⁷ Shamash, S. (2010) Ibid.

- ✓ Improved health and hygiene
- ✓ Earning income
- ✓ Job satisfaction and job retention
- ✓ Stability and purpose
- ✓ Employable skills

Societal benefits:

- ✓ Increase workforce capacity and job retention
- ✓ Economic activity
- ✓ Multiplier effect
- ✓ Community connectedness
- ✓ Reduce stigma
- ✓ High quality products and services introduced



Government benefits:

- ✓ Reduce cost of social assistance
- ✓ Increase revenue through taxes
- ✓ Reduce other costs (e.g. health care and mental health services, hospitalizations, reduced use of social services)

The key barrier to WISE success and scaling of impacts: funding

'We have an amazing social enterprise with great product quality, an excellent reputation, strong demand, and a thriving, productive team of neurodivergent and neurotypical staff. However, despite excellent and growing sales, we have consistent deficits and need funding to cover the social costs of running a social enterprise.'

– online response from *Social Enterprise in Community Living Survey, 2024*

Since early 2024, the BC Centre for Social Enterprise has focused on developing a comprehensive document called *Venturing Forth: insights and inspiration for social enterprise in the Community Living sector*. This free eBook is expected to be published in late 2025. In the course of related research and conversations, the message heard loud and clear from British Columbian WISE operators is that they could significantly enhance their training and employment impacts if prospective funders (including governments) understood the 'return on investment' generated by the WISEs, and funded social enterprises accordingly.

Why *should* governments cover this gap? The returns on investment are the savings reaped (and tax income generated) by having people employed. Savings to

governments are connected to a lessened reliance on the social safety net, which includes the housing, health, social assistance, and justice systems. Employment is also an economic generator for governments, by way of income taxes paid, and sales taxes reaped as people's spending power grows.

And why should general funders support social costs of WISEs? The benefits of supporting our communities' most vulnerable people can be connected to many of the causes that funders support. These include social inclusion and community participation, and health outcomes, plus quality of life and economic improvements to the specific demographic groups that the funder focuses on. Not to mention poverty reduction and education.

Next steps / call to action

A cluster of WISE leaders has teamed up with the BC Centre for Social Enterprise, to design an information campaign that will articulate the need, and advocate for sustained funding of WISEs in BC.

These are:

- ✓ [Archway Community Services](#) – Fraser Valley, BC
- ✓ [Clements Centre Society](#) – Duncan, BC
- ✓ [Communitas Supportive Care Society](#) – Fraser Valley, Metro Vancouver, Vancouver Island

Once the campaign has been built, the messaging will be directed to BC government Ministries (such as Labour, Social Development / Poverty Reduction, Justice, and Health); and aligned federal government departments. This unified educational effort will demonstrate the value of long-term funding of WISE outcomes.

Other targets for the campaign include funders whose mandates align with WISE outcomes, plus the media.

There's strength in numbers. If your organization is in alignment with these efforts, please reach out to join us.

We also welcome government and funder participants to the table, as well as professionals versed in statistical analysis, document design, and movement building.