

Venturing Forth

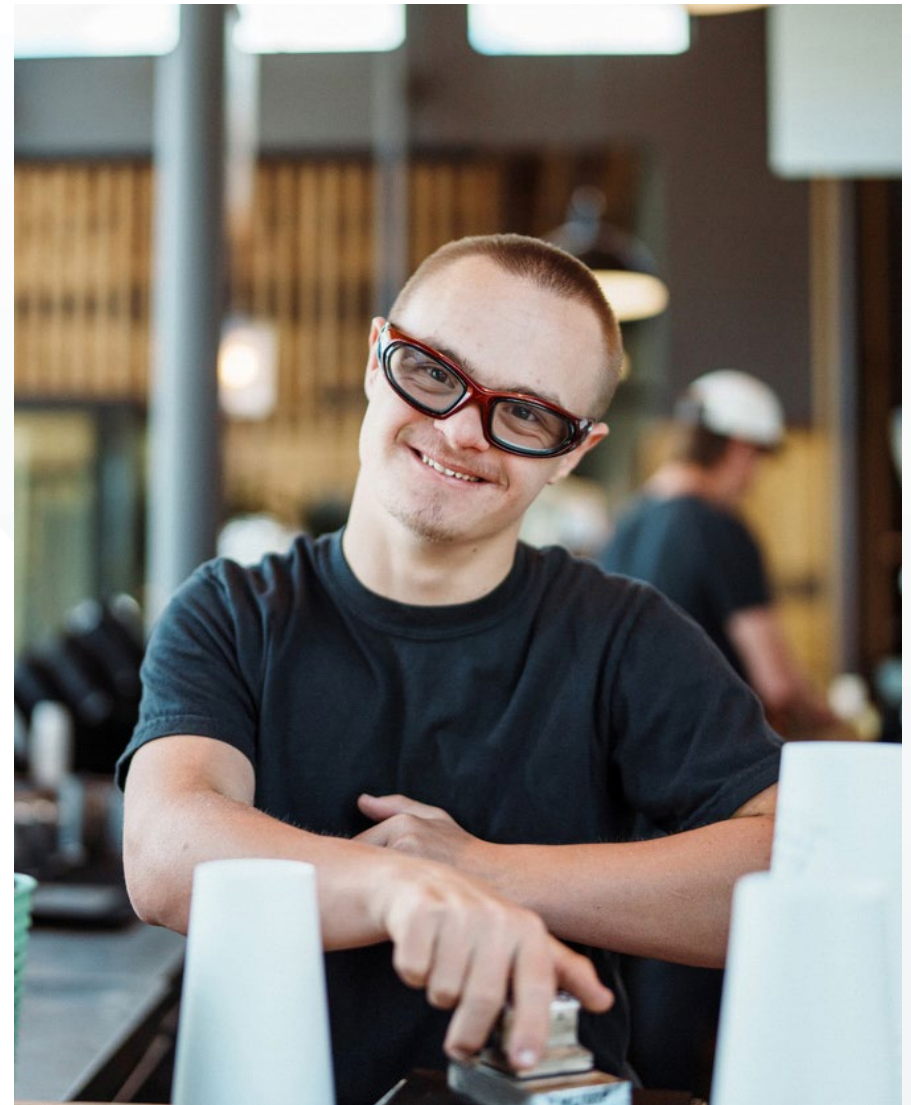
Insights and Inspiration for
Social Enterprise in the
Community Living Sector

PRESENTED BY



British Columbia
Employment Network

Foreword _____	3
An Introduction to Social Enterprise _____	4
Comparison of Work Engagement Types _____	12
Guest Column: The Social Costs of Social Enterprise ____	18
Social Acquisition _____	24
WISE Spotlight: Kerry's Kitchen _____	32
Lean Start-Up _____	35
Guest Column: On Sheltered Workshops _____	38
Legal Structures for Social Enterprises in the Community Living Sector _____	41
WISE Spotlight: Little Sprout Café _____	54
Paying WISE Workers _____	63
Guest Column: Employment as Inclusion _____	69
Best Practices and Principles for Launching and Sustaining WISEs in the Community Living Sector ____	71
WISE Spotlight: The Mindful Mouthful _____	76
Recommended Reading _____	82
Acknowledgements _____	85
About the Writer _____	86



The [BC Employment Network](#) (BCEN) is pleased to share Venturing Forth, which we've subtitled: *insights and inspiration for social enterprise in the Community Living sector*.

This document builds on the foundation laid by Venturing Forth 2011, a project that helped define and describe the landscape of employment-focused social enterprise in British Columbia, more than a decade ago.

Much has changed since then. Policies have evolved. The push for inclusion has grown stronger. Social enterprise models have matured.

But the core question – how to ensure meaningful work for people with intellectual and developmental disabilities – remains as urgent as ever. Presently, less than 25% of adults with intellectual and developmental disabilities are working.

Work Integrated Social Enterprises (WISEs) that focus on training and employment for people with intellectual and developmental disabilities occupy a unique and valuable space in our social and economic landscape. These enterprises are not just businesses: they are engines of opportunity, inclusion, and dignity.

For their workers, WISEs offer more than just a paycheque. They provide structured environments in which individuals can build skills, confidence, and connection through real work. WISEs serve as stepping stones – sometimes into other jobs, sometimes into broader community engagement: and always towards greater independence and purpose.

For agencies that operate them, WISEs offer a powerful way to align mission with practice. They allow organizations to move beyond traditional service delivery models, and become active creators of opportunity, while modelling inclusive employment. WISEs can challenge long-standing assumptions about what people with disabilities can contribute to the workforce, and to society.

Traditional service delivery models occupy a very important space in the employment development landscape. Indeed, thousands of British Columbians with intellectual and developmental disabilities are working as a result of supported and customized employment, and the willingness of business and industry to be inclusive employers.

Despite this, thousands of British Columbian adults with developmental and intellectual disabilities – who want to participate in the world of work – do not have meaningful work. In this sense, social enterprise might be viewed as a liberating structure that can provide the opportunity for many more individuals to experience work.

This update to Venturing Forth was informed by an in-person Symposium that brought together operators, funders, and researchers in 2024. We have also collected best practices from successful WISEs, conducted interviews with enterprise leaders, and invited expert contributors to write columns that deepen our understanding of the historical context of sheltered workshops; the social costs and returns of inclusive employment; and perhaps most importantly, the role of employment as a pathway to inclusion and citizenship.

Together, these insights offer a refreshed and practical view of the field. Whether you are operating a WISE, supporting one, or considering launching a new initiative, we hope that this document provides ideas, validation, and inspiration.

It's time for the next chapter in this work. Let's build it together.

Sincerely,

Dan Collins, CHAIR



British Columbia
Employment Network

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. Most of these focus on profit generation for the parent organization: the profits allow them to 'do more' of their mission, and amplify their impacts. The social enterprise profits are unencumbered, rather than being limited by funder-mandated deliverables, or donor wishes.

And a type of social enterprise that is of particular interest to Community Living agencies: these exist 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).

The 'WISE' acronym is used throughout this document.

Social enterprises are not social programs. However social enterprises are defined, or whatever their reasons for being: they all sell a good or a service (sometimes both). Unsure whether a project is a social enterprise, in its broadest definition? Ask whether it sells something.

[CONTINUE ▶](#)

What is social enterprise?

'Social enterprise' is not a legal expression in Canada. It's not directly addressed in the federal *Income Tax Act*¹.

This social enterprise definition from the [Social Enterprise Council of Canada](#) is generally accepted within the sector:

Social enterprises are businesses that sell goods or services in the marketplace.

They have a social, cultural, and/or environmental purpose and they reinvest the majority of their profits or surplus to maximize their social mission.

Let's add a nuance to this definition. Social enterprises have an entrepreneurial aspect, which differs from traditional service delivery within the non-profit sector. Social enterprises have customers, and exercise control over their offerings.

For this reason, a Community Living agency with a CLBC agreement to deliver inclusion services (or with a BC Housing agreement to deliver housing services) would not generally be considered to be a social enterprise by virtue of its participation in these funding arrangements². The agency can of course operate social enterprises, but these contract examples behave more as traditional service delivery within the community sector.

¹ Although the 2012/2017 CRA guidance entitled [Community economic development activities and charitable registration](#) does include this definition of social enterprise in its appendix of terms and definitions: 'a social enterprise is an innovative business model, whether not-for-profit or for-profit, that pursues a social, cultural or environmental mission through the sale of goods and services, with the majority of net profits directed back to its mission'.

² Notably, Ireland has delineated six categories of social enterprises, including 'service providers to the state'. As outlined in [Social Enterprise in Ireland: State support key to the predominance of Work-Integration Social Enterprise](#), by Patricia O'Hara and Mary O'Shaughnessy, 2021.

Work Integrated Social Enterprises (WISEs)

Generally speaking, beneficiaries of WISEs might have diverse abilities, or they could be socially marginalized, or find themselves in need of practical experience. Specific examples include but are not limited to youth, those living in poverty, individuals exiting incarceration, newcomers, and people who have physical or intellectual disabilities.

In the Community Living sector, some WISEs enable more permanent long-term employment within the agency itself (sometimes referred to as 'employment social enterprises'); while others provide patient and temporary training and supports that transition folks to competitive employment (sometimes referred to as 'training social enterprises').

In some cases, WISEs are 'hybrids' that offer both temporary and permanent employment opportunities for those in need. Furthermore, some WISEs feature integrated workplaces, which include people without barriers to work.

WISEs can be operated by community-based organizations such as charities and non-profits; or by the private sector.

WISEs are not a replacement for supported employment. The two approaches are complementary. In British Columbia, the number of adults with intellectual disabilities continues to grow. As of spring 2026, roughly 2/3 of people served by Community Living agency employment services were employed (this does not include those on growing service waiting lists). Many of those who have secured employment are experiencing significant underemployment.

WISEs exist on a continuum of work and training possibilities within the Community Living sector.

[CONTINUE ▶](#)

Do I need to register my social enterprise?

A common assumption is that one must 'register' a social enterprise. No such registration system exists in Canada.

Certification programs for social enterprise can further muddy our understanding of what's required, versus optional. Ditto social enterprise directories.

What is required: the social enterprise operator must choose a legal structure that enables the specific social enterprise that they are operating, without jeopardizing the parent organization (where one exists).

More about this in the section entitled 'Legal structures for social enterprises in the community living sector'.





WISEs, positioned in the Community Living employment continuum

WISEs exist on a continuum of work and training possibilities within the Community Living sector.

WISEs can help to fill the gap between the demand for work, and the supply of employment in communities. These social enterprises provide patient workplace support and foster soft skills, while prioritizing worker accommodation. WISEs can interface with supported employment departments within Community Living agencies, serving as skills incubators and an environment to gauge worker interest and aptitude in specific tasks, jobs, and situations (sometimes referred to as 'job tasting').

Furthermore, WISEs represent an inclusive landing place for people who may not be an immediate fit for competitive employment.

WISEs are not sheltered workshops. In contrast, WISEs remunerate workers, with best practices meeting or exceeding the requirements of [BC Employment Standards](#); hold training and/or employment as their primary purpose; strive to provide social inclusion opportunities for participants; and may support people with and without disabilities.

WISEs differ from competitive employment in that they do not hold profit generation as a primary goal; they incur significant social costs to operate; and they view worker transition to other employers as a success indicator.

In some cases, 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 (Mindful Mouthful, profiled in this document, is a noteworthy example of this type of social enterprise). A 'smart business decision' would involve mechanization of cookie production. A WISE operator would think twice about mechanization, particularly where it reduces work opportunities: both the amount of jobs, and the quality of the work.

WISEs by the numbers

As part of this Venturing Forth project, we polled representatives from agencies that attended the in-person Social Enterprise Symposium, held in Surrey BC in February 2024.

Groups experienced with social enterprise operation were invited to participate in two online surveys: one for active social enterprises (n=16), and one for closed social enterprises (n=4).

[CONTINUE ▶](#)

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

- ✔ A majority of social enterprises operated by the participating 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. All of the closed social enterprises sold goods.
- ✔ 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 structured within a charity.
- ✔ The majority pay workers minimum wage or more³.
- ✔ 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 the parent organization.
- ✔ The top challenges are funding and promotion.
- ✔ At peak operation, one-third reported annual sales of \$50,000 to \$100,000; while another third reported annual sales of \$100,001 to \$250,000. Three out of four of the closed ventures generated under \$50,000 in annual sales.
- ✔ One-third of active social enterprises are operating at a loss; while another third are at break even.

[CONTINUE ▶](#)

³At 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. The clock 'resets' on January 1st of each year.

Just Like Family Collaborative are leaders of Canadian social enterprise franchising. Their story is included in this document, in the section on social acquisition.

They have identified⁴ five different social enterprise models:

1. The new revenue stream: something that groups are doing anyway, that contains a source of revenue – for example, renting out excess space
2. Employment [and training]: also known as WISEs
3. Business unit: a response to a market opportunity i.e. filling a gap in the marketplace
4. A social enterprise 'enterprise': multiple business units managed by a single entity
5. Social acquisition: purchasing an existing business (including a franchise), and 'converting' it to a social enterprise

It's worth noting that a WISE can (also) be expressed within the final three models listed above.

⁴Just Like Family Collaborative (2024) [Win Win Capitalism: How social acquisitions will change the face of business](#), pp.41-49.

Why are social enterprises good for communities?

[Inclusion powell river](#), which defines social enterprise as 'a business that reinvests its money to support its mission', observes these community benefits:

- ✔ They create local jobs.
- ✔ They solve real problems like food insecurity, waste, or lack of access to services.
- ✔ They put money back into the community.
- ✔ They give people a purpose.

The key barrier to WISE success and scaling of impacts

'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

In our work on this document, which spanned more than a year, 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

[CONTINUE ▶](#)

How might social enterprise and supported employment 'dance' together?

[Communitas Supportive Care Society](#) in Abbotsford, BC structures its WISEs as a blend of short-term training, and more permanent employment.

Those engaged in work experience are also concurrently connected to Communitas's supported employment department. The training period is intended to assist people to develop hard skills, boost confidence, and build recent work history.

In this sense, the agency's supported employment services dovetail with its social enterprises. This

approach supports both the job seeker and Communitas's employment specialists with feedback on the individual's strengths, barriers, and interests. This integration ultimately assists the job seeker to develop self-awareness in order to guide their employment journey; while supporting the employment specialist to better understand fit, and to tailor their own approaches appropriately.

Read more about Communitas's approach to social enterprise, in the Little Sprout Café profile in this document.

[Pallet's](#) definition of the Housing Continuum is: 'the range of equitable shelter and housing options that suits the needs of every member of your community'.

We might borrow from this concept, and frame a 'Working Continuum' as 'the range of equitable employment and training options that meets the needs of every member of the community who is interested in working.' Social enterprise is situated within this continuum. So is self-employment, supported and customized employment, and competitive employment.

governments) understood the 'return on investment' generated by the WISEs, and funded social enterprises accordingly.

WISEs tend to incur, on average, 33% greater costs⁵ as compared to a business doing exactly the same thing. Known as 'social costs', these can include expenses related to adaptive tools; inventory and time 'wastage'; additional supports like soft training, additional space, and transportation costs; and staff costs associated with supporting the workers. Training social enterprises, which are designed to cycle workers to mainstream employment, incur the added costs of continual training (and associated inefficiencies of ongoing new worker intake), plus programmatic supports to ladder people to competitive employment.

A key point: these costs are not temporary, and are not a function of business start-up. They are not an indicator of failure. The costs are an ongoing reality of operating the WISEs. Anne Jamieson's excellent section in this document, entitled 'The social costs of social enterprise' not only lays out how to calculate these 'social costs', but also suggests that covering these with sales revenues is simply not sustainable. Social costs are to be covered by subsidy. In perpetuity.

'The difficulty faced by many social enterprises in becoming self sufficient is also reflected in the additional business costs entailed in providing the supportive and flexible work environment needed to employ this population. These are expenses that mainstream businesses do not carry.'⁶

So why should funders cover this gap? The returns on investment are the savings reaped (and tax income generated) by having people employed. The section in this document by Leni Goggins, entitled 'Employment as inclusion' explores the concept of employment as a social determinant of health. Savings

[CONTINUE ▶](#)

⁵Shamash, S. (2010) [Social Enterprise: Creating Jobs and Community Wellness One Small Business at a Time](#), UBC Sauder School of Business; pages 4, 34-43.

⁶Cohen, M., Goldberg, M., Istvanffy, N. et al. (2008) [Removing barriers to work: Flexible employment options for people with disabilities in BC](#), Canadian Centre for Policy Alternatives. Page 46.

The benefits of WISEs

A key report ⁷ cites specific benefits generated by British Columbian WISEs. To quote:

Individual benefits:

- ✔ Self-actualization
- ✔ Social inclusion
- ✔ 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)

⁷Shamash, S., page 31

to governments are connected to a lessened reliance on the social safety net, which includes the health 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.

To be fair, the social enterprise sector has done a poor job in making this case. We're too modest, and too busy. Impact reports tend to lean on narrative and anecdotal reporting. And the sector is stretched so thin already: economic case building seems too overwhelming to tackle. Imagine that the sector could demonstrate that for every dollar invested by funders, at least \$3 is saved (by government) or generated (for government)? That's a 'no-brainer' investment opportunity.

Another much-needed research pursuit is to gather best practices from other countries whose governments fund training and employment through social enterprise. Such a jurisdictional review would illuminate specific funding approaches while aiding in the design of the most efficient and effective Canadian funding pathway for WISEs.

'Sustained funding for the social cost of running the operation would allow us to ensure continuity and keep modeling what inclusive employment can achieve.'

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

CONTINUE ▶

Is social enterprise a fit for your agency?

Social enterprise is not for every organization, just as self-employment is not for every individual.

The first step is to test the entrepreneurial readiness and capacity of your agency, and to identify at least one champion who will 'own' the responsibility for moving the idea forward to fruition. This function cannot be delegated to just anyone: the champion(s) must be passionate about the concept, and possess business acumen.

'A successful social enterprise requires dedicated staff with business acumen.'

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

Specific business expertise can be imported through paid consultants: is there budget for this, and for other social enterprise development and start-up expenses? How will the social costs of a WISE be supported?

And Boards must be fully 'on board' in order for the organization to move forward with social enterprise development and launch.

Agreement about 'why' the agency is taking on social enterprise is imperative. For instance, is the main motivation profit generation, or providing training and employment opportunities for people served? These two goals operate in opposition to each other, so clarity of purpose is key.

'It's really important to take the time to determine what your relationship to profit is... are you generating it for something external, are you simply trying to create jobs, or are you trying to achieve other important social / environmental impacts no matter what the cost? This framing is critical for good team dynamics and decision making.'

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

'The knowledge, skills and infrastructure required to operate a business is different than a non-profit organization. The availability of resources, support and guidance to structure a social enterprise properly is limited. Staff capacity and knowledge is a critical issue.'

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

Fast-tracking WISE impacts

This document introduces approaches to accelerate WISE impacts. All are connected to shortening the time and money 'runway' between social enterprise ideation and opening day.

Lean start-up involves debuting a less-than-perfect good or service, and soliciting real-time and real-life feedback from actual customers. A shorter version of a business plan – called a Business Model Canvas – shrinks the planning process from months to days. The social enterprise then pivots based on the feedback received. This approach works best for service businesses. Another version of 'lean' is testing the idea (and the workers' appetite for it) within the host agency: the organization is the customer within an internal work project where the workers are paid as they would be in an outward-facing venture.

Social acquisition involves purchasing an existing business and 'converting' it into a social enterprise. The number of BC small businesses that will be closing soon, due to owner retirement, is staggering. Social acquisition cuts out of the planning stage, and takes the guesswork out of whether a business concept will be successful: because it already is. Social acquisition ensures positive cash flow on day one; and access to more financing options, as compared to a 'from scratch' launch.

Franchising involves the purchase of a tested business formula, with all associated procedures, equipment, inventory, and systems. Plus a brand that the public already recognizes. A range of business offerings is available, under the franchise model: the most common being food service.

Food for thought: what if those supported in training enterprises wish to stay?

'In cases where employers aimed to operate within a short-term training or transitional employment model, they soon found that their participant-employees did not want to leave their business for other work.

Moreover, most social enterprise employers felt that their relatively low rate of workplace terminations and resignations indicated that their workplace accommodations and social supports are effective and necessary for the successful employment of their target population.

High job retention also makes good financial sense as low job turnover means lower job orientation and training costs.

At the same time, all employers viewed moving on to competitive employment as an absolute success for their employees.

This tension reflects an even broader tension between the economic goals and social purpose of social enterprises, and the reality that what counts as success for one employee may not for another.⁸

⁸ Ibid: Cohen, M., Goldberg, M., Istvanffy, N. et al. Page 39. Breaks inserted for enhanced readability.

Below is a chart that maps work engagement types in the Community Living sector with common practices, characteristics, and related considerations.

Supported employment departments within agencies might use this chart to consider what the worker experience within each work type might be like. The chart may also assist families and support workers to understand the nuances. And it could offer clarity to potential funders of social enterprise and supported employment.

First, some notes on the types of work that fall within the continuum of possibilities.

Sheltered workshops – Are [defined](#) as an ‘... environment that employs people with disabilities separately from others, usually with exemptions from labour standards, including but not limited to the absence of minimum wage requirements.’ In BC, participants were typically paid a few dollars weekly, and they focused on repetitive activities. In many cases, the resulting products were sold to the public, but not always. To learn more about the history and context of sheltered workshops in BC, refer to the guest column by Lilla Tipton in this publication. Sheltered workshops, although now defunct, have been included in the chart, primarily to illustrate the distinctions between these and social enterprises.

Social enterprise focused on training – This is a venture that sells a good or service, which can be owned privately or by a community-based organization. Its core purpose is to provide a supportive environment in which people who are typically excluded from the mainstream economy can learn life skills and gain work experience. Ideally, once they have developed capacity and learned skills, the workers are connected to competitive

employment. In the case of the Community Living sector, the main beneficiaries are people with developmental disabilities. There is no set limit on the amount of time that an individual in training can remain with the social enterprise, as timelines are flexible and reflect individual needs and capacities. While these ventures are permitted by Canada Revenue Agency through specific charity guidance that names these ‘[employment-related training](#)’, organizations should not assume that Community Living BC will automatically fund these social enterprises.



[CONTINUE](#) ▶

Social enterprise focused on permanent employment – This is a venture that sells a good or service, which can be owned privately or by a community-based organization. Its core purpose is to provide a supportive environment in which people who are typically excluded from the mainstream economy can learn life skills and gain work experience; with no time limit to the work period. Typically, the workers can enjoy permanent employment in the social enterprise. In the case of the Community Living sector, the main beneficiaries are people with developmental disabilities. While these ventures are permitted by Canada Revenue Agency through specific charity guidance that names these '[social businesses for individuals with disabilities](#)', organizations should not assume that Community Living BC will automatically fund these social enterprises.



It's common for social enterprises to exist as **hybrids**: a blend of training (temporary work) and employment (permanent work). The characteristics of these hybrids can be understood by considering the two social enterprise columns in the chart, together.

Both training and employment social enterprises are sometimes referred to as **WISEs: Work Integrated Social Enterprises**.

Competitive employment – This could be considered as a 'mainstream job'. In some cases, supported employment departments of Community Living agencies in BC are positioned as CLBC-funded intermediaries, to assist people with developmental disabilities to explore job possibilities, and connect individuals to jobs based on their capacities and desires. Support workers might accompany the workers to the job site to assist, with a goal of fading out over time. Therefore, competitive employment (as described in the chart below) can include some elements of supported employment, but not customized employment, also known as 'job carving': where the job is created for the person. Customized employment is a fit for people with greater needs. It's more costly and therefore relatively rare in the world of work, although social enterprise includes elements of this approach.

Self-employment – Within the Community Living context, this typically includes micro-enterprise: very small businesses that are owned and operated by people with diverse abilities. Often, they are supported with assistance by the individual's family and/or support workers.

[CONTINUE](#) ▶

To adopt some phraseology from Buy Social Canada's [Guide to Social Enterprise](#), training and employment ventures are '**Direct mission delivery' social enterprises**. These embed their social missions within the social enterprises themselves. Not included in the comparison chart are social enterprises that Buy Social refers to as '**Revenue-generation to support mission' social enterprises**. This type exists primarily to generate profit, which is then redirected to a social mission outside of the business. An example might be a fast-food franchise that engages in no social hiring, then uses those profits to achieve a poverty reduction or environmental goal. It's estimated that roughly a fifth of all Canadian social enterprises are of this type⁹.

Practice / considerations	Sheltered workshops (now defunct)	Social enterprise focused on training (a 'WISE')	Social enterprise focused on permanent employment (a 'WISE')	Competitive employment	Self-employment
Part of employment continuum	No	Yes	Yes	Yes	Yes
Sells a good or service	Sometimes	Yes	Yes	Yes	Yes
Ownership	Community	Community or private	Community or private	Usually private	Personal
Primary 'bottom line'	Social programming	Training in order to transition workers to competitive employment	Long-term employment in accommodating environment	Profit	Self-determination and personal income generation
Profits redirected to social impacts		Yes, when profits exist	Yes, when profits exist	No	Personal income for individual
Remuneration	Nominal daily stipend was paid to participants	Minimum wage or better, with possible exceptions under limited and specific circumstances (see section called 'Paying WISE workers')	Minimum wage or better	Minimum wage or better	No remuneration requirements: owner would absorb any business losses personally

[CONTINUE ▶](#)

⁹Hall, P., Elson, P., Wamucii, P. (2016) [2016 Canadian National Social Enterprise Sector Survey Report](#), Mount Royal University and Simon Fraser University, page 20.

Comparison of Work Engagement Types *Con't*

Practice / considerations	Sheltered workshops (now defunct)	Social enterprise focused on training (a 'WISE')	Social enterprise focused on permanent employment (a 'WISE')	Competitive employment	Self-employment
Application and use today		High: agencies are interested in developing more training opportunities; funding needed	High: agencies are interested in developing more in-house long-term, employment opportunities; funding needed	High, with low or relatively flat growth in number of job placements: ongoing employer conversion / education required; agencies are interested in improving employment rates	Limited: useful for higher capacity individuals, who can provide a good quality and needed offering to the market; family or agency support usually needed
Congregation (people with diverse abilities as sole or majority workers)	High	Paid support in trainer and support roles; once trained, worker is assisted to enter competitive employment	All or most workers tend to be those with diverse abilities, with some exceptions	Workers may be socially marginalized; engagement with co-workers is dependent on the company culture	Sole proprietors tend to work alone; greater interface opportunities in partnership or co-op
Segregation (diversely-abled workers separated from community)	High	Largely dependent on business model (e.g. customer-facing vs. manufacturing)	Interfacing with community (through promotion and customer interaction) receives particular consideration and intent	Largely dependent on business model (e.g. customer-facing vs. manufacturing)	Social engagement opportunities associated with promotion and customer interface
Social experience of participants	Segregated	A priority, with emphasis on confidence-building, skill development, and job discovery	A priority, with emphasis on confidence-building, skill development, and community engagement	A strongly desired outcome; may be a challenge to achieve / control	Varies, although sole proprietors tend to work in isolation
Worker 'voice' heard	Low	High	High	Generally low: as a standard practice in many workplaces, employees tend not to drive business direction; the arrangement is a trade of labour for pay	Highest: owner / worker are one; therefore worker's wishes are baked into the model

CONTINUE ▶

Practice / considerations	Sheltered workshops (now defunct)	Social enterprise focused on training (a 'WISE')	Social enterprise focused on permanent employment (a 'WISE')	Competitive employment	Self-employment
Diversity of workers' capacity	High	Medium-high: must show capacity to ladder to competitive employment	High: long-term jobs for all capabilities	Low: only what the business outputs can bear; lower skilled or less prepared people are not hired	Generally, higher-capacity individuals are the best fit
Development of life skills e.g. social, personal hygiene, time management	Low	High: built into the model	High: built into the model	Low: employees are expected to be equipped with these skills at time of hiring	Varies: dependent on agency / family supports
Worker accommodation / flexible work arrangements	High	High: a priority, there is room for most	High: a priority, there is room for all; job carving used if needed	Low to medium: people with greater barriers are not offered employment	High
Employer support		High: purpose-driven	High: purpose-driven	Varies, but tends to be low; can be enhanced with externally-funded support workers	
Stability of work position	High	High: low lay-offs; room for most abilities	High: low lay-offs; room for all abilities	Medium: tend to fill entry level positions, and are therefore usually the first to be laid off	Precarious: connected to business success
Relationship to economy: labour market participation	In many cases, product was sold to the public	Training is the reason for being: able to connect workers to competitive employment during economic upswings, and extend the duration of training during economic downturns	Employment is the reason for being: priority given to retaining positions; aim to absorb higher demand for work opportunities during economic downturns	Employers more apt to hire during strong economy, as unemployment rates decrease and the general worker pool contracts; reverse is true during economic downturns	Self-employment opportunities ebb and flow in concert with the economy's health

CONTINUE ▶

Practice / considerations	Sheltered workshops (now defunct)	Social enterprise focused on training (a 'WISE')	Social enterprise focused on permanent employment (a 'WISE')	Competitive employment	Self-employment
Non-repayable funding availability i.e. grants		No explicit support from CLBC; general social enterprise grants are at a low in BC	No explicit support from CLBC; general social enterprise grants are at a low in BC	CLBC funds support employment services within agencies, and individual support workers within competitive employment settings on a short-term 'fade-out' basis	Generally, grants are unavailable for small business owners outside of new hires and innovation; most funding is repayable (i.e. loans)
Sector perception of funder trust (CLBC's)	Very low	Low: possible conflation with sheltered workshops	Low: possible conflation with sheltered workshops	High: valued by CLBC as legitimate employment option	High: valued by CLBC as legitimate employment option
Sector perception of funder trust (general)		Medium to high: social enterprise is generally accepted by funders as a legitimate training practice	Medium to high: social enterprise is generally accepted by funders as a legitimate employment practice	Medium to high: Training and hiring grants and subsidies are available to traditional businesses through government; plus repayable financing generally	Depends: Funding opportunities grow with business size and employment impacts; some support available for smaller enterprises
Potential to scale employment impacts		Present: moves new workers through the venture as others secure competitive employment	Present: venture can grow, add more diversely-abled workers	Not generally present: one placement at a time with limited focus on social hiring	Might scale to bring on additional workers
Financial efficiency	Medium: minimal offsetting revenue stream, but low cost to operate generally	Low: inherent inefficiencies average 33% for training businesses ¹⁰	Medium: as workers become more skilled, inefficiency gap and related social costs decrease	High: employers unwilling to bear inefficiencies associated with workers who are the most challenging to employ, as the primary goal is profit-making	Low: micro and small businesses are typically challenged to scale; high failure rate

¹⁰Shamash, S. (2010) *Social Enterprise: Creating Jobs and Community Wellness One Small Business at a Time*, UBC Sauder School of Business; page 31.

The Social Costs of Social Enterprise

By Anne Jamieson

In cases where people with diverse abilities require workplace accommodations, these represent a cost to the employer.

For businesses whose workforce consists mainly of people with barriers to employment – a Work Integrated Social Enterprise (WISE) – these costs of accommodation are multiplied by the number of workers, as well as the additional work required to ensure a harmonious workplace. We call these **social costs**. The other costs of your enterprise are ones that a traditional business would have, and are called **business costs**.



Social costs are defined as the extra costs incurred by an employment / training social enterprise (or any social enterprise) that are directly related to the mission of the venture: costs that a traditional, profit-driven business would not have. These include:

- ✓ Extra training for people who experience barriers to work
- ✓ Job coaching for workers who require additional supports on an ongoing basis
- ✓ Counselling (in-house or outsourced) to assist workers with unique challenges, such as mental health issues, housing help, involvement with the justice system, etc.
- ✓ Specialized professionals, such as sign language interpreters
- ✓ Higher material, space, and equipment costs due to productivity gaps resulting from capacity challenges and/or the additional training required
- ✓ Food, transportation, and/or clothing subsidies for people on low income
- ✓ Special equipment, such as large-handled tools; special software, such as voice activation apps
- ✓ Premium on purchases if the social enterprise has such policies as buy-local or eco-purchasing
- ✓ Premium on distribution costs if the social enterprise is minimizing its carbon footprint
- ✓ Discounts on sales if the social enterprise is selling to lower-income customers

[CONTINUE ▶](#)

There are several reasons why it's important to **identify and measure** the social costs of your enterprise.

Profitability: By separating your social costs from your business costs, you can measure whether the business side of your enterprise is profitable or not. If not, then you can work on improving your profitability (e.g. increasing prices, changing products, finding cheaper suppliers, attracting new customers and/or new markets). It's also worth noting that if your business is not profitable, then your other revenue (funding, grants, donations) is subsidizing the business. On the other hand, if the business is profitable, it is contributing to covering the social costs, and you can let your funders and donors know that their funds are only being used to support social costs. You can also calculate whether your enterprise could be profitable enough to cover all of your social costs, and work on a plan to reach that level.

The average proportion of social costs to total costs in Canadian employment / training social enterprises is 33%: that's **one-third** of your enterprise's expenses! Your revenue from sales would need to be 33% higher than your business expenses for your venture to break even. Since the average operating profit margin (that's the percent difference between sales revenue and business expenses) in Canada is 12%, and even lower in highly competitive industries like the food service sector, the chances of your enterprise generating a 33% profit margin are pretty slim. In the model presented below, social costs are 40% of total costs (\$155,200/\$391,000), which is more realistic for an enterprise that employs people with intellectual disabilities. Ergo, you need funding to cover social costs.

Stakeholders: When you know your social costs, you can demonstrate to your stakeholders (parent organization, Board of Directors, funders, donors, and even customers) the real cost of employing your key population. This can be useful for raising the funds needed to cover these social costs.

Adjustments: Once you've calculated your social costs, and measured them against total costs, you can make decisions about your enterprise that affect your sustainability. You might decide to lower the ratio of social costs to total costs by hiring more people who have greater capacity, or who don't experience barriers at all. Or you might increase your prices to cover some of those social costs, or take other actions to increase your business profitability.

Sustainability: The Toronto Enterprise Fund (TEF), which pioneered the use of separating social costs and business costs, also developed a metric called **Business Cost Recovery** (BCR). BCR is the measure of total sales revenue divided by total business costs. In the example below, total sales revenue = \$250,000, and total business costs = \$235,800; $\$250,000 / \$235,800 = 106\%$. At TEF, 100% BCR – when sales revenues equal business costs – was considered a sustainable social enterprise, and this was the goal set for all funded social enterprises. Some of them achieved, and even exceeded, this goal without difficulty; others struggled but eventually got there. A few never even came close, and they were encouraged to view themselves as valuable social programs rather than employment / training social enterprises.

[CONTINUE ▶](#)

How to calculate social costs

Now for the boring part (unless you love budgets and numbers!): measuring your social costs. It takes a few simple mathematical calculations, but requires a bit of thought and observation to determine what proportion of time, materials, equipment, and space are dedicated to accommodations for your workers. An abridged example is provided below to illustrate the methodology. To begin, complete columns A (Business %) and B (Social %) (columns A+B must equal 100%), by answering the following questions:



1. How productive are workers in contrast to people who do not have challenges? In the example below, the response is 65% – this varies considerably from enterprise to enterprise and population to population: the simpler the operations and the higher the capacity of workers, the higher the productivity¹¹.
2. How much material is used for training and/or results from the productivity gap? Is there a premium paid for buy local or eco-purchasing policies? Materials handling can be challenging for people with gross motor and/or cognitive impairment; in our model, 1/5 (or 20%) of materials are used in this way – which is typical in most WISEs.
3. How much staff¹² time is spent on additional training, worker support, counselling? In the illustration, it's 50% – and that is the norm in WISEs.
4. Are training and worker costs (cost of trainer and training space, food, transportation, and clothing subsidies) typical of a traditional business? In our example, none of them are, so these costs are 100% social.
5. Does your enterprise rent more space than a traditional business? In our illustration, the enterprise rents 35% more space, to allow for better mobility, and for a separate training room.

[CONTINUE ▶](#)

¹¹ It's worth noting that if productivity is low because operations are complex and workers have lower capacity, you might reconsider your business model, to better match the tasks with the capabilities of the workers.

¹² I use the term 'staff' to describe those who do not have a disability, are typically paid a salary, and are in a supervisory capacity.

6. What proportion of other costs – communications, administration, distribution – are related to the social mission? In some cases, this might be as much as 100%; in our model, only 11% is not strictly business-related.
7. What about financial costs: taxes, interest, bookkeeping? These are likely 100% business costs, as with the example, but if your enterprise is a program of a charity, then you may have audit costs that a traditional business would not have.

You can use simple observation to arrive at your percentages, or you can get uber technical: I know an enterprise that carried out time and motion studies – documenting each task and how long it took – with all their staff and employees over a period of several weeks; they were surprised to find just how much staff time was spent on social supports!

Once you determine what percentage of each line item should be business or social, you then multiply each percentage by the total cost of the line item (Column E) to arrive at the dollar value of the business cost (Column C), and of the social cost (Column D). Simple! You can obtain a template from the [BC Centre for Social Enterprise](#) that has all of the calculations pre-populated in Excel: all you have to do is figure out the correct percentages and the total cost.



CONTINUE ▶

Example of business costs, social costs, and business cost recovery calculations¹³:

	A	B	C	D	E
	Business %	Social %	Business \$ (A x E)	Social \$ (B x E)	Total \$
Operating Revenue					
Sales & other business revenue	100%	0%	\$250,000	\$0	\$250,000
Non-Operating Revenue					
Funding, grants, & donations	0%	100%	\$0	\$150,000	\$150,000
TOTAL REVENUE			\$250,000	\$150,000	\$400,000
Cost of Sales					
Worker / participant wages & benefits	65%	35%	\$78,000	\$42,000	\$120,000
Materials	80%	20%	\$40,000	\$10,000	\$50,000
Operating Expenses					
Staff salaries & benefits	50%	50%	\$60,000	\$60,000	\$120,000
Training & worker costs	0%	100%	\$0	\$20,000	\$20,000
Rent & utilities	65%	35%	\$39,000	\$21,000	\$60,000
Other business costs (including admin)	89%	11%	\$17,800	\$2,200	\$20,000
Financial costs	100%	0%	\$1,000	\$0	\$1,000
Total Cost of Sales & Operating Expenses			\$235,800	\$155,200	\$391,000
Operating Profit (Loss) (not including funding)			\$14,200	-\$155,200	-\$141,000
Net Surplus (Deficit)			\$14,200	-\$5,200	\$9,000
Business Cost Recovery			106%		

A note on this topic:

The presence of these additional and ongoing non-business costs justifies perpetual subsidy of WISEs, particularly by governments, which reap return on this investment through the workers' lessened reliance on the social safety net, reduced health costs, increased sales tax revenues through enhanced purchasing power of workers, etc.

¹³ A few notes about this template: the Toronto Enterprise Fund, which designed it, considers all business revenue to be 100% business; and all funding, grants, and donations to be 100% social. Column E, Total Costs, is a straightforward Profit & Loss statement for the year. Business Cost Recovery is Total Business Revenue divided by Total Business Cost of Sales and Operating Expenses (\$250,000/\$235,800=106%). The unabridged version of this template has more line items, as well as a 'non-operating expenses' section.

About the Author:

Anne Jamieson retired from [United Way Greater Toronto \(UWGT\)](#) in April 2023, after 20 years running the [Toronto Enterprise Fund](#), a program of UWGT. During that time, she developed a robust curriculum and set of tools to support the start-up, stabilization, and scale-up of employment social enterprises, including the [Business Cost Recovery](#) model presented here.

A passionate advocate for a thriving social enterprise ecosystem, Anne launched the [Canadian Conference on Social Enterprise](#) series which ran biannually from 2004 to 2019; and she was a founding member of the [Social Enterprise Council of Canada](#) and the [Ontario Social Economy Roundtable](#). She helped develop and promote the six-pillar policy strategy for the Canadian social economy, which has been the foundation of a number of provincial social enterprise strategies. Anne lobbied extensively for social procurement and community benefits: she was on the steering committee that set up the [Toronto Community Benefits Network](#), and established the [Social Purchasing Project](#) to encourage the 2015 PanAm Games Committee to purchase from social enterprises.

Anne strongly believes that everyone who wants to work should be able to, without any barriers. She has witnessed the transformative power that employment has on individuals who have been marginalized and excluded from the labour market.



Fast track to impact:

Purchasing an existing business instead of creating a social enterprise from scratch

“ Social acquisition serves to leverage the strengths and existing framework of a traditional business to create a social enterprise more efficiently and effectively than starting from scratch. It combines the benefits of established operations with the added value of a social mission, which can result in more sustainable and impactful outcomes in a shorter amount of time. ”

It's common in the social enterprise space. When organizations decide to embark on their social enterprise journey, they start from scratch.

This traditional social enterprise path often includes:

- ✓ Clarifying why the agency is pursuing social enterprise
- ✓ Brainstorming possible business ideas that align with those motivations
- ✓ Narrowing the business ideas down to the most promising ones
- ✓ Crafting feasibility studies on these concepts
- ✓ Selecting the 'best' one(s) from these studies
- ✓ Building a business plan focusing on a specific venture
- ✓ Projecting financials – which involves estimating sales (true sales are unknown)
- ✓ Drafting a marketing plan – this business has no customers because it doesn't exist yet
- ✓ Designing and launching a website targeting these imagined future customers – the website starts with low Search Engine Optimization (SEO), because it has no history
- ✓ Attracting financing
- ✓ Recruiting and training employees
- ✓ Designing all business systems

- ✓ Launching the business
- ✓ Tweaking the plan / pivoting based on real-world experience in the marketplace
- ✓ Running the business
- ✓ Reaping social impacts

Practically speaking, these steps could take over a year, hard costs (as the planning work involves paying staff and consultants), and no guarantee of business success on the other side. Champions of the concept can come and go during this time.

Now, imagine that you could skip most of these steps. What would that be worth to your agency?

In 2017, the Business Development Bank of Canada predicted¹⁴ that over 40% of small businesses in British Columbia would come up for sale within five years. One can only imagine how COVID accelerated these exit plans. At the time of the survey, nearly 60% of small- and mid-sized business owners were aged 50 years or older.

[CONTINUE ▶](#)

¹⁴ [The Coming Wave of Business Transitions in Canada: Are entrepreneurs ready to exit their company?](#) Business Development Bank of Canada (BDC), 2017.

In 2022, the Canadian Federation of Independent Business estimated¹⁵ that 76% of small business owners across Canada planned to exit their ventures over the coming decade, with the majority intending to leave within five years.

Three-quarters of the business owners are retiring. Less than 10% of those have a succession plan. Over half predict that they will be challenged to secure a purchaser.

The supply of businesses is expected to wildly exceed demand in the traditional marketplace.

This means that small businesses with a track record of sales, a proven concept and location, established systems, tested suppliers, a dedicated client base, and a team of skilled employees ... will vanish. Along with all of the work that went into building the business to that point.

Of course, this isn't to say that all businesses on the market will be viable, or would be a fit for an agency interested in operating a social enterprise.

For mainstream businesses, 21.5% of Canadian small businesses (defined in this case as having less than 100 employees: or 97.9% of all Canadian businesses) fail within the first year. Half survive for 5 years. Only a third are still operating after a decade.¹⁶

[CONTINUE ▶](#)

¹⁵ [Succession Tsunami: Preparing for a decade of small business transitions in Canada](#). Canadian Federation of Independent Business (CFIB), 2022.

¹⁶ From [Small Business Statistics in Canada](#), 2026. Made in CA website. As a side-note, in BC's Community Living sector, the most common social enterprises are food-related. This tendency echoes the trend in Canadian social enterprise generally (Buy Social Canada's [Sell with Impact](#) report (2023), page 24). Restaurants have a very high rate of failure, even before any added costs or inefficiencies associated with social hiring are factored in ([Restaurants across BC struggle to stay afloat](#), Business in Vancouver (2023)), linked in part to slim profit margins, and demand variability, which ebbs and flows with general economic prosperity. The connection between WISEs and food offerings is likely tied to the relatively low experience levels required for food service generally, and the normalization of shift work in that industry.

Considering the true costs of starting a social enterprise from scratch

A common objection to the idea of purchasing an existing business and 'converting' it into a social enterprise (e.g. by adding social hiring to the mix, or directing profits to the parent agency) is 'cost'.

In these cases, the agency likely isn't considering the true costs of building a venture from scratch, which mainly takes the form of staff and consultant wages, one-time start-up hard costs (space, equipment) and soft costs (such as marketing, and building a client base).

Not to mention the cost of time lost in not generating revenue.

And the cost of failure, if the concept doesn't prove out after the ribbon is cut on the shiny new business.



As the business ages through the period of trial and testing, its likelihood of survival increases. The non-viable ventures fall away, leaving the feasible ones to continue.

Social acquisition is a way to skip the testing phase, and back a winner.

The high failure rates cited here are for new businesses with a single bottom line: profit-making. A very common business type – restaurants¹⁷ and cafés – experience even higher rates of shuttering.

It stands to reason that the odds of success would decrease, with more 'bottom lines' added, such as social hiring. Therefore, it might make sense for agencies to purchase a business that has already proven itself as viable, particularly as the core reason for business failure is 'lack of research and offering a product or service [that] there is no market for'¹⁸.

With a business purchase, revenue can be generated immediately. This positive cash flow unlocks financing opportunities¹⁹ not available to new businesses without a track record. Furthermore, the community is aware of the business, and regular customers have already established buying habits to support it.

In terms of knowledge transfer from the vendor to the purchaser, it's common for the vendor to agree to a contract to work under the new ownership, providing training and a more seamless transition. A best practice is for the agency to get to know how to operate the business before adding social hiring to the mix. Depending on the complexity of the venture, this could be for up to a year, or longer. Usually, during this time, the business keeps the employees who were already working in the business before it was sold. Some may be retained after the business embraces social hiring.

[Scale Institute](#) has done some big thinking, in terms of steps that a community-based organization might take, in acquiring an existing business, and converting it to a social enterprise. This is also referred to as 'social acquisition'. Scale presents a six-step process:



¹⁷ In early 2024, 62% of Canadian restaurants were operating at a loss or only breaking even. Restaurants and accommodation (grouped together) were the industry leader in bankruptcies. Per [Restaurants Canada](#).

¹⁸ Ibid.

¹⁹ Scale Institute suggests another interesting financing option that may be available to charities. The purchasing charity might offer a donation receipt in exchange for a portion of the business (assuming that the business can be housed within the charity – see the section within this publication on structuring social enterprise). Scale further suggests that owners who appreciate the social aspect of the deal may be receptive to patient financing, in which the purchase price is paid out over time; and in some instances, the payments might be pegged to the performance of the business.

CONTINUE ▶

Although it isn't always a fit, social acquisition can make more sense than building a social enterprise from scratch, for several reasons. For instance:

1. **Established infrastructure and operations:**

- **Ready-made systems:** An existing business has already established operations, including supply chains, customers, and operational procedures. This saves time and effort as compared to starting a business from scratch.
- **Immediate cash flow:** Acquiring a business means inheriting its revenue streams, allowing for immediate cash flow that can be reinvested to support social objectives, or leveraged for financing such as business loans.

2. **Brand recognition and market presence:**

- **Brand loyalty:** An existing business worth purchasing has an established brand, and customer loyalty. This strength can be leveraged to introduce social missions without the initial work of building brand recognition.
- **Market position:** It can be easier to pivot an existing business towards social goals rather than starting at zero, and trying to break into the market.

3. **Resource and network access:**

- **Existing relationships:** The existing business has established relationships with suppliers, distributors, and other key stakeholders. These networks can be crucial for smoothly transitioning to a social enterprise model.
- **Employee base:** The existing workforce can be retained and retrained to align with the new social mission, saving the effort of hiring and training new employees from scratch, on (re) opening day. Once the new management gains experience in operating the business, then social hiring can be added to the mix.

4. **Reduced initial risk:**

- **Proven business model:** An established business has a proven business model and track record, reducing the risk compared to a startup, which has a much higher likelihood of failure.
- **Financial stability:** Acquiring a profitable business can make it easier to secure funding or investment for employment and other social outcomes.

5. **Faster impact achievement:**

- **Quick implementation:** Transitioning an existing business to a social enterprise allows for quicker implementation of social goals, leading to faster social impact compared to the often slow and uncertain process of building from scratch.

6. **Learning from existing operations:**

- **Operational insights:** Acquiring an existing business provides insights into what works and what doesn't within that industry. This knowledge can guide the transition to a social enterprise, and help avoid common pitfalls.
- **Market insights:** Understanding customer preferences and market trends from an established business can inform more effective and impactful sales strategies.

7. **Economic and community benefits:**

- **Job preservation:** By acquiring and transforming an existing business, available employment positions are likely greater, as compared to a new venture.
- **Community trust:** Existing businesses have community connections. Transforming such a business into a social enterprise can build on this trust, and enhance community engagement.

[CONTINUE ▶](#)

When considering social acquisition, pay special attention to the 'fit' of the business to your organization. For example:

- ✔ Values – Ensure that the business can align with the organization's values, particularly if it doesn't at time of purchase.
- ✔ Operations – Confirm that the good or service supports the skills and capacities of WISE workers.
- ✔ Impacts – If the aim is to convert the business to a WISE, consider how many suitable jobs the acquisition will yield, and what the potential for job growth is moving forward. Higher mechanization industries (e.g. shredding) tend to offer less employment opportunities than those utilizing manual production.
- ✔ Tax exemption²⁰ – Most charities²¹ can operate a related business, and WISEs with specific characteristics, within their existing structure; and must hive off an unrelated business into a taxable corporation. An NPO can house most WISEs within its existing structure, but shifts into a compliance danger zone when generating intentional, non-incidental profits.

Kristi Fairholm Mader, Director of Innovation and Initiatives at Scale Collaborative, offers these nuggets of wisdom, gleaned from her work mentoring community-based groups to acquire existing businesses:

- ✔ When organizations purchase businesses, some might pause a bit too long, eroding the goodwill attached to the business, and which formed part of its valuation. Clientele tend to go elsewhere when their expectations (established under the former ownership) aren't met.
- ✔ Family-operated businesses can show lower expenses (in their financials) than actual, mainly because they are working for free or low amounts. And they might be contributing some costs that never hit the books (e.g. cell phones, personal vehicle use). So the bottom line sometimes appears to be more favourable than it actually would be in the hands of new ownership.



[CONTINUE ▶](#)

²⁰ See the section within this document, on legal structure and tax considerations, for greater detail.

²¹ Private foundations are not permitted to operate social enterprises.

Further notes

To learn more, explore these helpful resources.

[Business Legacies Initiative](#), [Scale Institute](#). Includes an abundance of information, including case studies, recorded workshops, best practices, and targeted resources.

[Pathway to a Successful Business Purchase](#), Scale Institute, 2024.

[Online Social Enterprise Acquisition Course](#), Thriving Non-Profits.

[Six steps to social acquisition](#), Buy Social Canada blog, 2024.



Further reading:

[Small Business Today, Social Enterprise Tomorrow](#), By Lars Boggild and Andrew Greer, Stanford Social Innovation Review, 2017.

[Win Win Capitalism: How social acquisitions will change the face of business](#), Just Like Family Collaborative, 2024.

If searching for a business to purchase, here are some websites:

[Venture Connect](#)

[Succession Matching](#)

[Canada Businesses for Sale](#)

Google 'business for sale' + your community name²²: [Realtor.ca](#) should come up first, with specific listings; there is no simple way to locate this list within the site itself.

[CONTINUE ▶](#)

²² A test search on Realtor.ca in July 2025 yielded 39 businesses for sale in Abbotsford BC (up from 25 businesses when the same search was undertaken in May 2024), ranging from \$50,000 to \$4.9M. Over 40% of these are food-related. Eight of the 39 were priced under \$100,000: three of these are well-known in the community, and one of these is a franchise. Another test search in July 2025 yielded 340 businesses for sale in Vancouver BC, ranging from \$15,000 to ~\$4.7M. Fifty-seven of the 340 were priced under \$100,000.

The darling of Canadian social acquisition: Just Like Family Home Care

This is a true story of a specific form of social acquisition: buying a franchise. But it doesn't end there.

A charity applied their values-based and people-first orientation to building trust and community among [Just Like Family Home Care](#) franchisees across the nation, and greatly enhanced the customer and employee experience in the entire network of independently-owned businesses that serve the needs of seniors aging in place.

The ripple effect of 'infecting' charity sensibilities within business has shifted the impacts of the existing franchises, while changing the nature of who is attracted to buy new franchises in the Just Like Family network.

In 2011, The United Church of Canada launched an innovation arm called EDGE. Among EDGE's mandates was to explore what their future might look like, in the face of a shrinking congregation, and a desire for community impacts beyond its membership.

EDGE launched an innovation fund that reached well beyond the church community, in order to support meaningful societal improvements and positive change. Between 2016 and 2021, this fund assisted over 700 social innovations, nationwide.

Flowing from these relationships, EDGE was approached by [Broad View United](#): a Victoria church that was incorporated as a charity in 1967, and which in 2024 held over \$11.5M in assets, mainly in land and buildings.

Broad View had done the internal work of determining where it wanted to focus its social impacts, and had narrowed down the many possibilities: to senior care. The next question was whether to start a social enterprise from scratch, or purchase a franchise.

In 2019, with financing from EDGE and elsewhere, Broad View purchased a Just Like Family Home Care franchise in Victoria. Within the first year of operations, they bought the Nanaimo franchise. Within two years, they had grown their sales from nil to \$1M.

In addition to generating revenues, the venture supported seniors in a relational way and facilitated their wishes to age in place, while also prioritizing the experiences of their employees.

Over the years, the original franchisor had built the business from a single location in Vancouver in 2010, and began selling franchises in 2018.

It's worth noting that it took that period of time to build a scalable, successful model. Franchisees had the advantage of acquiring their own business after the growing pains had been dealt with, and viable operation and marketing systems had been established. This is a key benefit of purchasing a franchise.

The franchisor, impressed with the way that Broad View was operating its two franchises – both from the point of view of revenues, and social impacts – offered them the option to purchase the national system, meaning that they would become the franchisor across Canada.

[CONTINUE ▶](#)

The church formed a group of investors called the Just Like Family Coalition, which corralled the purchasing power needed to make the 2022 jump from franchisee to franchisor. The coalition is composed of three charities (who combined, own the majority of the acquisition), and a number of accredited²³ patient investors.

During its first year of ownership, the network grew from 27 locations to 36. This is likely just the beginning of their meteoric success.

'In the end, the leadership team was committed to doing things differently. They realized that if they expected or hoped to see the world change, they were going to have to do something about it.'

'As charities and nonprofits, we need to ramp up to the pace of business.'

'... we acknowledged the value of the use of capitalist tools and business savviness for charitable intent. We also understood the importance of utilizing people's gifts and leadership.'

²³ More about what it means to be an 'accredited investor' can be found [here](#). The church focused their investor search on sophisticated charities; and individuals with an investable worth of over \$1M and/or those who were associated with them through close relationships. These supporters have a direct equity stake in the venture, meaning that they own a share of the business. This is distinct from debt investing (i.e., offering a loan), in that the investors take a more active interest in the business, as part owners.

'We are revolutionizing home care for our clients. We are also changing how the business world and charities look at how business can be done differently.'

— Just Like Family Collaborative

Their 2024 book – [Win Win Capitalism: How social acquisitions will change the face of business](#) – is a juicy read, and we can't do the details justice in such a short section.



Kerry's Kitchen

AiMHi – Prince George Association for Community Living

Kerry's Kitchen is an employment and training social enterprise, set in a vibrant and welcoming cafeteria setting. Focused mainly on lunch service, the venture serves those who work at AiMHi headquarters plus people who participate in the organization's day programs, while also catering internal meetings. Based in Prince George, BC, it's structured as a project of [AiMHi – Prince George Association for Community Living](#) (a registered charity).

Employing roughly ten people at a time, and paying the equivalent of at least minimum wage to everyone, Kerry's Kitchen is a social focal point at AiMHi's main admin and programs hub, while generating revenues, and exposing the workers to a range of skills including food handling and preparation, kitchen maintenance, cash register use, and customer service.



Welcome to Kerry's Kitchen

AiMHi is situated in a former elementary school. So its layout is well-suited for hosting its programs and staff offices.

Not to mention the inherited cafeteria and kitchen, which serve as the ideal space for a food-related social enterprise. Kerry's Kitchen is named after the street that it's located on: Kerry Street.

On each of the four days of weekly service, a daily special is offered, such as quiche and soup, BBQ ribs with baked potatoes, and ham and pierogies with salad. On Thursday mornings, fresh breakfast sandwiches and hash browns tempt the early birds. Around 150 meals are served daily, across at least two shifts.

Former AiMHi CEO Mark Zuberbuhler²⁴ describes the space as a 'big hangout'. It's where program participants meet at lunchtime to socialize with their friends, and where AiMHi staff mingle as they grab their own bites.

²⁴ Mark's experiences of this WISE greatly inform this profile, which was written in 2024, when he was AiMHi's CEO. Mark has served as Executive Director at Developmental Disabilities Association since early 2025.

[CONTINUE ▶](#)

The Host Agency

AiMHi – Prince George Association for Community Living was formed in 1957 by a group of concerned parents who envisioned 'community living' for their children. Charitable status was attained in 1978.

Now, AiMHi operates with an annual budget of around \$40M, hosting roughly 500 employees who support 1,000 people in Prince George and the surrounding area. The agency provides living options, employment services, family support, life skills training, and community inclusion services with the core belief that AiMHi's role is to help people to achieve a good life.

Room for all

Supported by a highly skilled professional chef with an authentic interest in guiding her team, the enterprise connects to workers through its programmatic touchpoints with AiMHi's people served. The agency is therefore very closely tied to the potential worker pool through pre-existing relationships with them. AiMHi is already familiar with their preferences and capabilities, and is flexible in the ways that folks 'show up' for the work. Typically, individuals remain at Kerry's Kitchen for a year, with new people coming in to take the graduates' places on a rolling intake. There is high demand for these coveted spots.

Sometimes people transition to employment in the community, but more commonly, they may not reach this level or capacity. Mark views the enterprise as a blend of training (temporary placement) and employment (longer-term work), given the diverse needs and capabilities of the people being supported.

Mark illustrates, 'For those who aren't able to hold down a competitive employment position, working in a social enterprise presents an

opportunity for them to get out of the house, interact with people they know, and meet new ones. They may have the ability to work one hour a day, but they enjoy it while they are at Kerry's Kitchen: it's a wonderful hour for them, and that's what we're all about.'

The supportive atmosphere allows folks to learn the ropes in a friendly environment, without the pressure that they might encounter in a conventional business. For example, keying orders into the cash register, accepting payment, and making change take longer than in a typical cafeteria setting, but as Mark points out: 'the business lens of efficiency and serving customers as quickly as possible isn't a priority: we exist to provide people with opportunities.'

Capacity building and firsthand experience

The team members have the opportunity to sample and potentially master a variety of work-based experiences related to culinary operations:

- ✔ Bussing
- ✔ Cash register training
- ✔ Developing a grocery list / ordering
- ✔ Dish storage
- ✔ Dishwasher / dishwashing awareness
- ✔ Food packaging
- ✔ Food preparation
- ✔ FoodSafe program
- ✔ Food storage
- ✔ Grocery shopping / smart shopping
- ✔ Hosting
- ✔ Kitchen cleanliness
- ✔ Kitchen equipment operation
- ✔ Kitchen safety and kitchen First Aid
- ✔ Menu planning
- ✔ Nutrition
- ✔ Serving and presentation

[CONTINUE ▶](#)

Social enterprise priorities

Because social hiring mandates form part of 'good life development', AiMHi would be reluctant to run a social enterprise that prioritizes profit-making and cost efficiencies; as these goals run counter to including all interested people in the work setting.

Mark explains, 'Our mission is to help vulnerable people, and we should be concentrating on that. We shouldn't have to generate the funds to assist those who need our help.'

Being situated at a former school with an existing kitchen and cafeteria easily meshed with the concept for a food service social enterprise. When the venture began to charge for its culinary offerings, it shifted from being a skills development program to a social enterprise. In both iterations, providing high quality experiences takes centre stage.

The worker experience

When working a shift at Kerry's Kitchen – be it for an hour or four – participants are working alongside their friends, gaining firsthand experience in a dynamic and authentic kitchen environment, and interacting with a large group of friendly diners.

They are encouraged to learn and grow according to their own capacity to do so, and difference is valued.

According to their own personal capacity and interest, workers are provided with resume building support, a detailed job reference, job coaches, and support in a competitive employment setting, via AiMHi's Supported Employment specialists.

A key indicator of success is people with smiles on their faces, having fun every day. Can you imagine if traditional employers commonly set this parameter as a metric of success?

An opportunity for expansion and greater experiential impacts

Because the prep space is not a certified commercial kitchen, the venture is not permitted to serve the general public. For now, it functions more like a private cafeteria. With funding to upgrade the kitchen, the enterprise would not only increase its revenues (annual sales are around \$70,000). A commercial kitchen would also generate work opportunities for more people, and enhance direct engagement with the general public.

A more public-facing food operation would expose businesses to inclusive hiring practices and the broad offerings of AiMHi, and foster more community-based experiences for the workers.

Advice for those new to social enterprise development

If your agency is entertaining the launch of its own social enterprise, Mark suggests that the venture offer a good or service that the workforce is capable of doing (and that there is a demand for).

The resulting outputs need to support remuneration of minimum wage or better for all workers.

'Just do it': the Lean approach to social enterprise development

Traditionally, the pathway to developing a successful venture involves feasibility research followed by a comprehensive business plan.

Until relatively recently, conventional post-secondary and community-based business programs invariably took this approach. Many still do. A business plan remains a requirement when approaching a bank for financing. We have all heard the adage: 'fail to plan, and plan to fail'.

An alternative approach to business start-up has emerged. Inspired by the 'lean manufacturing' approach introduced in Japan by Toyota in the 1990's, '[Lean Start-Up](#)' 'favours experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional 'big design up front' development'²⁵.

The American Ivy League universities led the charge in promoting and encouraging the application of Toyota's business development approach to business start-up generally.

With Lean, a tool called the [Business Model Canvas](#) replaces the business plan. The process of developing a Business Model Canvas can take as little as a weekend... versus months for a business plan.

In the context of social enterprise, the Business Model Canvas is best used as a brainstorming tool for agencies, and their support teams. Areas mapped on the canvas include customer segments; value propositions; channels; customer relationships; revenue streams; key resources, activities, and partnerships; and cost structure.

²⁵ Blank, S. (2013) [Why the Lean Start-Up Changes Everything](#), Harvard Business Review.

These elements do not differ greatly from some of the key sections in a business plan. Aside from language, the main difference in the Lean Start-Up process lies in the amount of time that is spent on deliberation, before bringing a test product to the world.

Not all businesses are a fit for Lean Start-Up, but smaller, simpler ones tend to be a better fit. So small social enterprises could be good candidates for this approach. Particularly those offering services (as opposed to tangible goods, which usually require investments in equipment, space, and process development).

“ A business plan is essentially a research exercise written in isolation at a desk before an entrepreneur has even begun to build a product. The assumption is that it's possible to figure out most of the unknowns of a business in advance, before you raise money and actually execute the idea.²⁶”



CONTINUE ▶

²⁶ Ibid.

By jettisoning the business plan in favour of 'leaving the building' and meeting prospective customers face-to-face, the Lean Start-Up approach aims to remove assumptions from the venture development process as quickly as possible, by directly engaging with customers, with what the 'lean folks' refer to a 'minimum viable product' or MVP.



Minimum Viable Product



Product Vision

An MVP is not a perfect version of the product or service. It's a 'beta version' of the offering, intended to encourage early customer feedback. The sooner we can get this information, the less time is wasted in following bunny trails, based on false assumptions.

Arguably, the majority of business plans contain overly positive feedback, and start-ups move ahead interpreting these results as a signal of guaranteed sales. Sadly, market research suggesting

interest doesn't automatically translate to folks opening their wallets once the product is actually offered. So, many months later, with time and money invested in these assumptions, start-ups can face a disconnect between their plans and real-world purchasing habits.

A related phenomenon is the concept of 'pop-up stores'. These are living laboratories in which start-ups with an MVP invest in a short-term rental of a sales space to gather real-life feedback from customers.

Imagine a start-up soap business. The soaper rents a temporary retail space, booth, or table at a craft fair. Packaging is temporary, intended to elicit opinions from real people walking through. Market research comes to life as the audience is invited to share honest feedback on pricing and varieties, as the business concept is tested in a real-life situation, with low up-front investment.

This model could also work to test whether the product focus should be soap, candles, bath bombs, or cookies: offer them all, and gauge public reaction.

Central to the approach of the Lean Start-Up is the ability to recognize when one should 'pivot' to address the feedback that is being received. The soaper would be keen to recognize patterns in client feedback. Perhaps they learn that most people would use the soap for their own use, when it was assumed that the soap would be purchased as a gift: this new knowledge would impact final package design, and what outlets are approached to retail the final product.

[CONTINUE ▶](#)



Here's a microenterprise story from a mother of a woman with intellectual disabilities who is a baker. Mom wanted to take a half-year or so to develop a business plan with her daughter, while also keenly aware of the prohibitive costs of renting a commercial kitchen. The family decided to instead 'just do it', by seeking out an existing local restaurant (with a commercial kitchen), in need of baked items for its own dessert menu. The aim is to forge a mutually beneficial arrangement, whereby the baker can provide baked goods for a restaurant, while launching her own micro enterprise from the space at the same time. Now, instead of spending precious time on a business plan which may include inaccurate assumptions, Mom is seeking an immediate partnership opportunity with her daughter. They could have the micro business well underway in less time than it would take to complete a business plan.

Another version of Lean Start-Up is at play when Community Living agencies 'test' out potential business ideas within their own organization, recruiting workers with diverse abilities to test their interests and aptitudes in such arenas as event planning, paper shredding, fleet maintenance, or videography. The test market is the agency itself, in support of its own events, paper recycling or vehicle maintenance needs, or promotional video development.

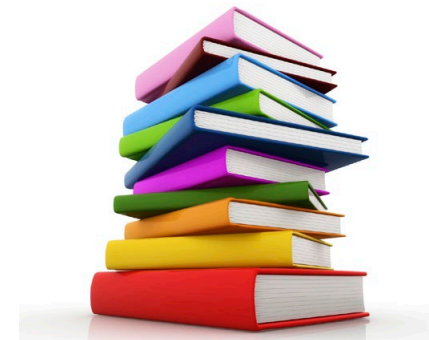
Whether your agency ultimately chooses the traditional business plan path when developing its social enterprise; or opts to explore Lean Start-Up by first developing a Business Model Canvas and presenting a Minimum Viable Product to the world for real-time feedback: it's crucial to understand the differences between the two approaches.

Here are some must-reads, on the Lean approach:

[*Why the Lean Start-Up Changes Everything*](#)

[*Business Model Generation*](#)

[*The Lean Start-Up*](#)



On Sheltered Workshops

By Lilla Tipton

The evolution of supported work, from sheltered workshops to social enterprise – a history

From the early 1970's to mid-1990's, sheltered workshops were an integral part of an evolving Canadian social services system that provided employment to people who were unable to compete in an exclusive capitalist labour market due to physical impairments, intellectual disabilities, or mental health issues.

Sheltered workshops were places and programs in which people with disabilities were 'employed' for 'much less than minimum wage'²⁷.

Although minimum wage laws were first implemented by the BC government in 1918, it was not until 1991 that a lawsuit was initiated by Bruce Fenton, a psychiatric patient at [Riverview Hospital](#), claiming that the low remuneration for his labour in a therapeutic workshop violated the labour standards regulations. The claim was successful, and Mr. Fenton was awarded back pay.

This decision triggered the closure of numerous sheltered workshops in BC, although it took another decade for most of them to close. Programs were most often delivered by community-based organizations that '[justified] unacceptably low (and in any other situation illegal) 'training wages' by claiming that they [represented] opportunities for social participation and life skills development. Other rights and concerns [were] readily swept aside to promote 'inclusion' under this faulty framework'²⁸.

'Sheltered workshops 'employed' adults with intellectual / developmental disabilities but only received [funding to pay] for one staff for every 10 to 12 clients'²⁹ and were providing day supports 'to give parents a break from caregiving'³⁰. They were well intentioned, in that families and organizations believed that the work they were providing gave meaning and purpose to people's lives: and there was some truth to that for some people.

For example, in 1997, I was directed to close the sheltered workshop in Powell River, BC, which was run by the Powell River Association for Community Living (PRACL), and convert it to a day program where people could voluntarily attend and choose the activities that they would participate in. Those interested in employment were offered the opportunity to seek real work for real pay through PRACL's employment program.

Being a strong believer in civil rights, I was happy to take on this task, as I had observed that the people working in our sheltered workshop were engaged in a number of repetitive tasks like making wedding flowers, hooking rugs, knitting, and woodworking: some of which were risky and others which added little value to the organization and to the enhancement of the social experience of people with disabilities. I believed that people with disabilities deserved more.

[CONTINUE ▶](#)

²⁷ Spagnuolo, N., and Earle, K. (2017) [Freeing our people: Updates from the long road to deinstitutionalization](#), Canadian Centre for Policy Alternatives.

²⁸ Ibid.

²⁹ Hendren, Alanna (undated blog post) [Reflecting on 40 Years of Support](#), Developmental Disabilities Association.

³⁰ Ibid.

My sister, Carol, was 'employed' at the Artaban Centre, earning fifty cents a day. To my dismay and surprise, when I announced the closure of the workshop, Carol quit and clearly stated that she would not be returning, as she was no longer getting paid. It seemed that for her it was not about the amount of money, but rather the acknowledgement of her effort. Nor was she interested in spending her day doing activities: she wanted a job that paid.

In addition, over the next 15 years, many people who attended the day program continued to say that they were going to 'work'. Work was important to them – paid or not – because work is what everyone does. They recognized the social normalcy that being able to say 'I am going to work' afforded them.

Overall, the young people coming into services were not interested in attending the day program, and had their own ideas of activities that were fun for them.

Over time, attendance in the day program dwindled down to those who required constant supervision and care, and whose families were not able to provide it to them. Today, the day program continues to serve only those individuals who do not seem to have other options.

[People First of Canada](#) supports the idea of 'real work for real pay'. People with intellectual disabilities should have opportunities to earn a living through paid employment of their own choice in the labour market. Employers must be open to a diverse workforce. Job accommodations and supports need to be provided. Wages and benefits should be equal to those of persons without disabilities³¹.

[CONTINUE ▶](#)

³¹Spagnuolo, N., and Earle, K. Ibid.



Assuming that we agree that employment is a fundamental right for everyone. And further assuming that we believe that no one should live in poverty... the challenge remains of how to meaningfully include all individuals with intellectual disabilities, and others who struggle with the structure of the standard work environment. Here are some related questions that we might ask ourselves, and our sector.

- ✔ How do people with intellectual disabilities enjoy the experience of being valued for their contribution? How does the system adjust to ensure that this goal is achieved?
- ✔ Is a charitable response acceptable in any circumstance?
- ✔ Should equitable employment be the responsibility of government?
- ✔ Should employers be required to find accommodations for everyone, or is subsidized social enterprise a solution?
- ✔ Should employers be subsidized to provide inclusive employment?

- ✔ Should individuals have a guaranteed income above the poverty line, and choose whether they work?
- ✔ Should individuals bring their own wage subsidy to the workplace? If so, who is best able to provide oversight to a subsidized system?
- ✔ Is there a way for everyone to contribute?
- ✔ What if an individual doesn't want a job?
- ✔ What happens to a society that doesn't find a way to include everyone?

We need to continue to openly and honestly discuss and reflect on these issues, and find solutions to these questions.

Can self-advocates lead this discussion? Who else needs to be at the table?

About the author:

Her sister lives with Down syndrome, and as a result, Lilla Tipton has been connected to and has volunteered with the special needs community from an early age. In 1972, Lilla was a member of a group who founded a transportation service for people with disabilities in Prince George. Lilla was Manager for the Prince George handyDART service for 18 years; and she wrote a dispatching manual for BC Transit and trained dispatchers throughout North America. Moving back to Powell River in 1996, Lilla began working for the Powell River Association for Community Living as a Program Manager and then became the Executive Director in 2001. Lilla has since retired from the organization.



Legal Structures for Social Enterprises in the Community Living Sector

Structuring social enterprise (SE) can be a confusing subject.

Common areas of misunderstanding can be divided into these broad categories:

- ✓ Confusion over concepts
- ✓ Oversimplifying complex issues
- ✓ Unnecessary separation (of the SE from its parent organization); and
- ✓ Tax misconceptions

Common pitfalls and misconceptions include:

- ✓ Conflating legal structure with tax status / classification.
- ✓ Not taking a deep enough dive into the CRA restrictions on embedding SEs within certain structures; potentially jeopardizing the income tax exemption of the parent organization.
- ✓ Committing to a separate legal structure to house the SE, when the venture could have remained within the parent organization.
- ✓ Confusing legal structure with certification programs.
- ✓ Trusting that as long as profits from SEs are directed to community good, then they are never taxable and/or can always be held within a typically tax-exempted structure.
- ✓ Believing that community-based organizations aren't permitted to operate SEs.
- ✓ Assuming that charities can only own a minority portion of an SE.
- ✓ Holding the view that a charity's SE is a 'related business' (a CRA term) without fully understanding the nuances of the definition.
- ✓ Viewing the newer 'hybrid' BC structures ([Benefit Companies](#) and [Community Contribution Companies](#) also known as 'C3s') as the sole (or best!) option for structuring all SEs.
- ✓ Issuing tax-deductible donation receipts (as a charity) in exchange for financial support of an 'unrelated business'.



CONTINUE ▶

The following information is not intended to replace individualized legal and accounting advice. Groups that are considering the launch of a new SE, or that may be questioning the structure of a current SE, should consult with a lawyer who is experienced in this relatively niche area.

Overview of legal structure options in BC

There is no formal 'registration' process for social enterprise in Canada. The name of the game is choosing (and then using!) the optimal legal structure (from a range of available options), ensuring that the unique characteristics of the specific SE are a fit for that structure. It's also crucial to understand the taxation element of the specific situation, and that adopting a particular structure does not guarantee an income tax category³².

Here are the common legal structures for those operating in BC, along with their usual income tax status:

Structure name	Characteristics	Typical taxation
Sole proprietorship	One owner, personal ownership	Taxed at personal income tax rates
Partnership	Multiple owners, personal ownership	Taxed at personal income tax rates
Company aka corporation	Owned by one or more shareholders that can be individuals and/or entities; can be incorporated federally ³³ or within BC ³⁴ ; features certain legal protections that somewhat shield owners from liability	Taxable at corporate income tax rates

CONTINUE ▶

³² For example, the [BC Centre for Social Enterprise's](#) own BC Society is subject to corporate income tax.

³³ Under the [Canada Business Corporations Act](#)

³⁴ Under the [BC Business Corporations Act](#)

A joint venture (JV) is not a legal structure, per se. It's a way of organizing a (usually revenue-generating) project.

The legal structures at play in a JV are those of the participants that are collaborating on the project.

A JV does not have its own inherent taxation class. Rather, each member entity is taxed according to their own tax class (this is referred to as 'flow-through' taxation). The participating entities report the JV activity on their own tax return, claiming their own share of the profits or losses.

For example, take a JV that's a collaboration between a charity, an individual (sole proprietor), and a company (corporation). Assuming that the JV project itself is charitable, then the charity's portion of income is tax exempt; the individual's portion is taxed at personal income tax rates; and the company's portion is taxed at corporate income tax rates.

Legal Structures for Social Enterprises in the Community Living Sector *Con't*

Structure name	Characteristics	Typical taxation
Benefit Company	A specific type of BC corporation available since 2020, purpose-built for SE	Taxable at corporate income tax rates
Community Contribution Company	A specific type of BC corporation available since 2013, purpose-built for SE	Taxable at corporate income tax rates
Cooperative ³⁵	A corporation that is democratically controlled by members; can be incorporated federally ³⁶ or within BC ³⁷	Usually taxable ³⁸ at corporate income tax rates; sometimes exempt under specific sections ³⁹ of the federal <i>Income Tax Act</i>
Society (with charitable tax exemption)	Non-share corporation, formed for exclusively charitable purposes; can issue donation receipts; can be incorporated federally ⁴⁰ or within BC ⁴¹	Exempt from tax as a charity under S149(1)(f) of the federal <i>Income Tax Act</i> Charitable registration (tax exemption) aspect is regulated federally by CRA, irrespective of whether the organization is incorporated provincially or federally
Society (with Non Profit Organization status, aka 'NPO' tax exemption)	Non-share corporation, formed for non-charitable purposes, and not for profit generation; can be incorporated federally or within BC; cannot issue donation receipts	Vast majority are exempt from tax as a Non Profit Organization under S149(1)(l) of the federal <i>Income Tax Act</i> Presence of intentional or non-incident profits can render the entire organization taxable at corporate rates ⁴²

³⁵ The cooperative legal structure is not treated in detail within this publication. Those interested in learning more are invited to review [this webpage](#) and the 2011 release of Venturing Forth, pages 39-43.

³⁶ Under the [Canada Cooperatives Act](#)

³⁷ Under the [BC Cooperative Association Act](#)

³⁸ In fact, a co-op can be taxed as a for-profit, a non-profit, or a charity: depending on their purposes and activities, and whether dividends are allowed or expressly prevented in the incorporation documents. Thanks to charity lawyer Richard Bridge for this note.

³⁹ E.g. sections 135, 136, 149(1)(l)

⁴⁰ Under the [Canada Not-for-profit Corporations Act](#)

⁴¹ Under the BC [Societies Act](#)

⁴² A [recent technical opinion \(May 2024\)](#) demonstrates CRA's unwavering position in this regard. On the bright side, case law is proving to be more permissive than CRA's interpretations of the *Income Tax Act* (Ontario Nonprofit Network, 2017).

CONTINUE ▶

Overview of the most common tax categories under the *Income Tax Act*

These are:

1. Taxable
2. Tax exempt – as charities
3. Tax exempt – as nonprofit organizations (NPOs)

Let's get the most common tax category out of the way first. This category is 'taxable'. The entity's income is taxed at personal or corporate rates, depending on its situation. Groups that are privately-owned and organized in a taxable structure (such as a corporation), are freed from complications. Their SEs can be nested within the parent company, and taxed at corporate rates alongside any other business activities.

Likewise, charities operating unrelated businesses are structured as taxable entities: usually corporations. More about this later.

Many groups in the social enterprise space are tax-exempt. But not all tax exemptions are the same. When considering how to structure a social enterprise, it's imperative that a group have clarity on whether it seeks or enjoys its income tax exemption as a charity or as a 'nonprofit organization' (NPO)⁴³.

Tax exemption is not to be confused with legal structure. Many community-based groups are incorporated as provincial societies. Others are incorporated federally. These are their legal structures.

[CONTINUE ▶](#)

⁴³Section 149 of the federal *Income Tax Act* outlines many more categories of tax exemption. The focus here is only on the two most common classes.



Certification programs are not legal structures.

Organizations – each with their own legal structures – have the option of pursuing certification according to the specific criteria of the certifying body.

Think 'certified organic' foods, or in the world of Canadian social enterprise: [B Corp certification](#) and [Buy Social Canada certification](#).

Social enterprises may opt to become certified as a means of setting themselves apart from others (as having pursued and successfully demonstrated certain attributes which are required by the certifier), for networking benefits, for inclusion in particular directories and other promotional opportunities, and for movement-building.

Certification is optional, and not a pre-requisite for being a social enterprise.

In contrast, a legal structure – which is a formal 'container' for the social enterprise – is essential.

And although most are tax exempt, they enjoy those exemptions under different provisions of the *Income Tax Act*. These are their tax exemption classes.

CRA offers distinct sets of social enterprise guidance for tax-exempt groups classed as NPOs, as compared to charities. An organization cannot be 'both' a charity and an NPO, from the perspective of its tax exemption.

Typically, a group with a 'nonprofit' (or NPO) tax exemption applies for charitable status. If CRA confers charitable status, then the organization casts off its existing tax exemption (S149(1)(l)) in exchange for a charitable one (S149(1)(f)). The charity retains its 'BC Society' legal structure with Victoria, if provincially incorporated. Or it retains its Federal Not-for-Profit Corporation legal structure if federally incorporated. But the source of its income tax exemption shifts.

If your organization can issue tax-deductible receipts in exchange for donations, then it has charitable status. A charity has 'RR' within the suffix of its CRA Business Number. If unsure, [all Canadian charities are listed online in a searchable government database](#).

Community Living agencies with the tax exemptions associated with charities or non-profit organizations can jeopardize their respective income tax exemptions by housing a SE within their existing structure. Many are surprised to learn that the restrictions on business activities are more limited for NPOs as compared to charities. Although more enabling, the rules for charities are also more complex.

Non Profit Organizations (NPOs) operating social enterprises

The simplest way to consider social enterprise compliance for NPOs (that is, non-profit groups without charitable status) is through the lens of profit generation. As their 'non profit' label suggests, their hosting of profit-making businesses is generally problematic.

For NPOs interested in engaging in social enterprise activity, the key element⁴⁴ is the federal government's definition of the NPO tax exemption, as outlined in the federal *Income Tax Act*. It lies in a section – [149\(1\)\(l\)](#) – which covers miscellaneous tax exemptions.

In this legislation, NPOs are defined as, among other things, having been formed 'for any other purpose except profit'. Through this lens, the 'purpose' can be expressly stated (that is, entrenched within the group's written constitution), or unstated (i.e. as demonstrated in the fact patterns of the group's actual situation).

A common assumption is that as long as NPO profits are directed to social causes, then profit generation by the NPO is permitted. This is called the 'destination of profits test' or 'destination test', and is not accepted in Canada.

Canadian NPOs are permitted to generate 'incidental' profits that arise from the NPO's purpose-focused activities. Unintended profits are also permitted. These allowances are seldom permissive enough, when considering a profit-generating business. But they could work for Work Integrated Social Enterprises (WISEs).

[CONTINUE ▶](#)

⁴⁴The social enterprise activity must also be 'directly connected' to the organization's legal purposes.

For NPOs considering operating a WISE, in order to offer training and/or employment opportunities for its people served, the venture is unlikely to generate significant profit. This is due to the additional costs involved in accommodating and supporting the workforce (see Anne Jamieson's piece on the social costs of social enterprise, in this publication⁴⁵). In cases of WISEs that are operating at a loss, or at breakeven (i.e. purely cost recovery), the WISE can likely be safely housed within the parent NPO. It's worth ensuring that the WISE activity is supported by the NPO's formal purposes (legal constitution).

From the perspective of paying income tax on profits, shifting the profit-making SE from the NPO to a taxable corporation makes logical sense. It's important to note though, that CRA has released opinions on this issue since 2009 (and [continuing to current day](#)), suggesting that it's problematic for an NPO to own a taxable corporation, even though that structure pays income tax. This is because an NPO's ownership of a profit-making entity suggests to CRA an intent to generate profit (flying in the face of the conditions of the NPO's income tax exemption).

In other words, operating a profit-generating social enterprise, either nested within the original NPO or hived off into a taxable corporation, could be problematic.

⁴⁵The reality of these additional non-business costs justifies perpetual subsidy of WISEs, particularly by governments, which reap return on this investment through a lessened reliance on the social safety net, reduced health costs, increased sales tax revenues through enhanced purchasing power of workers etc.

Charities operating social enterprises

Where there are grey areas for NPOs operating (profitable) SEs, the path is more certain (and generally more enabling) for registered charities. But the CRA guidance for charities is more voluminous.

Charity designations

First, there are three types (designations) of registered charities:⁴⁶

- ✔ Charitable organization – ~86%⁴⁷ of registered charities
- ✔ Private foundation – ~8% of registered charities
- ✔ Public foundation – ~6% of registered charities

Private foundations are not permitted to operate social enterprises.

The other two charity types are permitted to operate SEs, according to considerations related to the charity's purposes, the nature of the venture itself, and a few other elements.

[CONTINUE ▶](#)

⁴⁶ Greater detail on the charitable designations can be found [here](#).

⁴⁷ Canada's charitable sector by the numbers: 85,360 organizations total | 73,691 charitable organizations | 4,713 public foundations | 6,956 private foundations. From [CRA's Report on the Charities Program 2024 to 2025](#). It's generally believed that there exist a roughly equal amount of organizations (i.e. as total charitable organizations) with an NPO tax exemption, but definitive numbers aren't tracked as rigorously for NPO registrations.

Key CRA guidance

Take time to carefully review the key pieces of guidance that relate to Canadian charities operating social enterprises:

Canada Revenue Agency (2017), [Community economic development \[CED\] activities and charitable registration](#). CRA guidance paper CG-014.

Canada Revenue Agency (2003), [What is a related business?](#) CRA policy statement CPS-019.



The information that follows is a summary only.

Work Integrated Social Enterprises (WISEs), or training / employment businesses

The 2017 guidance paper CG-014 by CRA, entitled [Community economic development activities and charitable registration](#) includes key areas of interest for charities considering the operation of SEs that provide temporary training and/or permanent employment for people with intellectual disabilities.

In its guidance, CRA refers to training enterprises as 'employment-related training', and to more permanent employment as 'social businesses for individuals with disabilities'.

Both of these expressions of SE are considered by CRA to be 'community economic development activities that further charitable purposes'. In other words, CRA treats these enterprises as charitable work rather than business operations. Projects that fall under their definitions of 'employment-related training' and 'social businesses for individuals with disabilities' can therefore operate within the auspices of the charity.

The same document (CG-014, section 11) provides some sample purposes language that is worth reviewing, if the charity needs to amend its purposes to align with operating WISEs. The phrasing is pre-approved by CRA, so using it verbatim (assuming that it aligns with the charity's own practices) is recommended. Examples include:

- ✓ 'Advancing education by providing employment-related training'
- ✓ 'Benefitting the community in a way that the law regards as charitable by relieving conditions associated with disability'

CONTINUE ▶

Some parts of CRA's definitions of 'employment-related training' and 'social businesses for individuals with disabilities' bear quoting in full (i.e. in italics below).

From the section on 'employment-related training', subsection 22:

On-the-job training: providing on-the-job training in vocational or work skills that enhance an individual's employability. These activities cannot simply provide individuals with employment or supply an employer with staff. The aim and result of the program must be to provide training, not jobs. To be acceptable, programs should feature the following characteristics:

- ✔ *instruction is provided to complement the on-the-job training (before or during the on-the-job component)*
- ✔ *the participants are employed for a limited period of time*
- ✔ *the charity offers a job placement service to help graduates of the program find work in the labour force*
- ✔ *the proportion of workers from the beneficiary group in relation to the total number of employees is 70% or higher, but alternative ratios may be justifiable if considerable supervision is required*
- ✔ *the focus of the activity must be to further a charitable purpose, not to generate revenue⁴⁸*

⁴⁸An earlier version of this guidance (RC4143(E), 1999) seemed to prohibit profit generation. Presumably due to feedback from the charitable sector, this language has softened, to now suggest that profit generation can be present, but not as a priority.



From the section on 'social businesses for individuals with disabilities', subsections 69-74:

69. Operating social businesses for individuals with disabilities⁴⁹ may be charitable when the businesses directly further one or more of the charitable purposes listed in [paragraph 11](#). Social businesses differ from on-the-job training opportunities because they seek to provide permanent employment, not employment for a limited time.

70. A social business may provide services, sell goods, manufacture articles, or undertake other kinds of work. A social business may operate a retail outlet or send products manufactured in a workshop to a store.

[CONTINUE ▶](#)

⁴⁹CRA's own footnote, defining their use of 'disability' in this context: 'According to the Canadian Human Rights Act, R.S.C. 1985, c. H-6, s. 25: 'disability' means any previous or existing mental or physical disability and includes disfigurement and previous or existing dependence on alcohol or a drug.'

71. Social businesses may directly employ eligible beneficiaries. They may also provide technical assistance, tools, materials, and marketing to eligible beneficiaries who use the workshop, but are self-employed.

72. To further a charitable purpose, a social business must have the following characteristics:

- ✔ the workforce is composed entirely of individuals with disabilities⁵⁰, with the exception of employees who provide necessary training and supervision
- ✔ the work is specifically chosen and structured to take into account the special needs of individuals with disabilities and to relieve conditions associated with those disabilities

73. The following characteristics, although not required, are generally expected:

- ✔ associated job-related training that enhances the general skills of the eligible beneficiaries
- ✔ significant involvement of eligible beneficiaries in managing and making decisions for the social business

74. A social business must focus on helping eligible beneficiaries and not on making a profit. For more information, go to [Policy statement CPS-019, What is a related business?](#)

To summarize, if the charity's SE fits within either of CRA's two training and employment scenarios above, then the business can remain housed within the charity. The charity's constitution (charitable purposes) must align with this work.

⁵⁰ Note that CRA defines this type of social enterprise within a congregative frame.

Advantages to positioning a social enterprise within a charity

Provided that the fact patterns of the SE support it, there are solid reasons⁵¹ for housing a charity's SE within the existing (aka 'parent') charity:

- ✔ SE profits are tax exempt
- ✔ Donations can fund the SE
- ✔ Ease of administration / bookkeeping⁵²
- ✔ No need for a separate Board of Directors
- ✔ No need to file separate annual government filings (all charity activities are reported on the same T3010⁵³)
- ✔ The charity can use its own resources (such as funds, people, and space) to support the SE

[CONTINUE ▶](#)

⁵¹ A legitimate worry associated with housing an SE within the parent charity is the liability-related concern of potential exposure of the entire organization. Generally speaking, insurance mitigates this risk. Depending on the nature of the venture, a legal opinion might be sought (using the liability lens) as part of structural decision making.

⁵² Project accounting within the parent agency's ledger is suggested as a best practice, to isolate the SE activity, and monitor the venture's specific income and costs.

⁵³ An income line commonly used to report social enterprise revenues on Schedule 6 of the T3010 is #4640 'total revenue from sale of goods and services (except to any level of government in Canada)'.

It follows that housing an SE outside of the parent charity (e.g. in a taxable corporation) would produce these circumstances:

- ✔ SE profits are taxable
- ✔ Charitable donations cannot be used to fund the SE: that is, the charity cannot issue donation receipts to donors wishing to direct their giving to the SE
- ✔ More complex administration / bookkeeping
- ✔ A separate Board of Directors is needed, to govern the new entity⁵⁴
- ✔ Need to file a corporate tax return (T2)
- ✔ The charity cannot use its own resources (such as funds, people, and space) to support the SE, except for fair market value. This means that the SE would pay the charity to use such resources. Furthermore, the charity cannot grant funds to the separate corporate entity: it can extend loans but only where it makes sense to the charity (i.e. 'prudent use of the charity's assets'), including generating market rates of interest from the loan.

When a social enterprise can be housed in the parent charity

In an earlier section, two examples of SE types that can be housed within the parent charity were examined in detail: these are 'employment-related training' and 'social businesses for individuals with disabilities'. If the agency is not operating a WISE that falls within the scope of these two allowable venture types, then review of another key CRA document is necessary.

⁵⁴The separate SE Board can consist of the same people as the parent charity; but usually the SE Board members are selected for their business acumen and experience with the particular commercial offering.

CRA's 2003 [What is a related business?](#) (CPS-019) describes when a SE can be operated within a charity, and when another structural option (a taxable corporation) must be chosen. This policy statement is 'must' reading for charities considering or engaged in SE, where their practices do not fall within the WISE characteristics described in CRA's [CG-014](#).

Because 'social enterprise' has no legally enshrined meaning in Canada, CRA refers to 'related' and 'unrelated' business. Related business can be operated within a charity. Unrelated business cannot. The difference between the two is a great source of misunderstanding among social enterprise operators. Most believe that they are operating a related business. Many times, they are not. The differences between the two are clarified below. Unrelated businesses are not forbidden, but must be housed within a taxable structure.

CRA does not consider as business (i.e. social enterprise): soliciting donations, selling donated goods (without modifying them)⁵⁵, and fees charged for charitable programs and services. These activities can absolutely happen within a charitable organization.

An unrelated business is easiest to define by examining what it is not, that is, a 'related business'.

The CRA defines 'related businesses' as two kinds: 1) businesses that are run substantially by volunteers; or 2) businesses that are linked to a charity's purpose and subordinate to that purpose.

[CONTINUE ▶](#)

⁵⁵Clarification from CRA in the area of permitted scope with respect to selling donated goods has been expected for years. If this comes to pass, thrift stores would not likely be included in this particular exemption, but many would nevertheless be considered as related businesses due to the high proportion of volunteers that typically support the operation of thrift stores.

To expand on the second definition of related business above, 'linkage' cannot be claimed merely by the fact that the profits from an SE are directed to a charity's good works.

Specifically, 'linkage' to the organization's charitable purpose means that the business needs to meet one of the following tests. The SE must:

1. Be a usual and necessary concomitant of charitable programs⁵⁶ (e.g. a hospital parking lot, a university bookstore, a museum gift shop); or
2. Be an offshoot or byproduct of a charitable program (e.g. a church that records and sells choir recordings); or
3. Represent a use of excess capacity⁵⁷ (e.g. charging for parking lot use during hours of closure, or renting out event tents⁵⁸ when they are not being used by the charity); or
4. Involve the sale of items that promote the charity and its objects (e.g. branded calendars, T-shirts, etc.).

All of the examples given above are CRA's own.

CONTINUE ▶

⁵⁶ In other words: does the public expect to find this business associated with this charity work? In CRA's examples, the charities are a hospital, a university, and a museum. The linked businesses (SEs) are the parking lot, bookstore, and gift shop.

⁵⁷ The charity cannot intentionally 'build in' excess capacity, e.g. it wouldn't be able to construct a new building that includes vacant street level space for retailers to rent. If the charity *unexpectedly* faces excess capacity, this is considered acceptable e.g. they lose funding for a program that was offered in a particular space, then they rent out the now unused area to a private business, yielding a new rental income stream for the charity.

⁵⁸ CRA gives no 'excess capacity' examples that relate to staff. That is, if the charity is running a program and then loses the program funding, they likely cannot use the 'excess capacity' argument to legitimize redeploying the staff to work in a SE.

CRA loves volunteers! If the social enterprise is 90% volunteer-run (by head count, not hours), then the venture is automatically delineated as a related business by CRA.

The tests for linkage and subordination need not be considered. SEs that are 90% volunteer-run can safely remain within the charity, regardless of whether the enterprise is connected to the charity's purposes.

Imagine a charity purchasing a franchise with a track record of revenue generation, which is run with a 90% (or more) volunteer workforce. This SE can remain nested within the parent charity. Profits can be used to support the charity's social mission, and are tax-exempt.



Many organizations define 'linkage' far too loosely. They assume that if the SE relates to the clients that they serve in some way, then it is automatically a related business that can therefore be operated within the charity. This is not the case – at least one of the four areas of linkage outlined above must be present, in order for the charity to assert the linkage argument.

'Subordination' means that the business activity must:

1. Receive a minor⁵⁹ portion of the charity's attention and resources; and
2. Be integrated into the charity's operations, rather than acting as a self-contained unit; and
3. Not dwarf the charity's decision making so that charitable goals take a backseat to the enterprise's; and
4. Not involve private benefit.

All four of these areas of subordination must apply to the SE, for it to be considered a related business.

If the SE is not substantially run by volunteers, and if linkage and subordination cannot be demonstrated, then the charity is operating what CRA calls an unrelated business.

⁵⁹ 'Minor' does not imply a simple calculation 'proving' that the SE makes up 49% of the charity's income, expenditures, and attention. A charity might incubate a related business inside of a charity: if it reaches a point when 'subordination' is cast into doubt, then the SE can be moved out of the charity and into a taxable corporation at that time. Thanks to charity lawyer Richard Bridge for this note.

In the case of 'unrelated business', the charity would establish a separate legal entity (usually a taxable corporation⁶⁰) to house the SE, which must operate at arms' length from the charity.

The 'unrelated business' has its own Board of Directors, and staff team. The separate legal entity that holds the SE cannot benefit in any way from the charity that owns it. To err on the side of caution, charities should enact absolute separation of staff, equipment, and sundry supplies; or at least a clear paper trail that shows the corporation paying fair market value for use of the charity's resources, such as rent and staff.



[CONTINUE ▶](#)

⁶⁰ CPS-019, sections 47 and 48.

[Penalties](#) for a charitable organization or public foundation carrying on an unrelated business:

- 1st infraction: 5% penalty on gross unrelated business revenue earned in a taxation year
- 2nd infraction: 100% penalty on that revenue and a one-year suspension of tax-receipting privileges

An unrelated business cannot be run as a 'project' within the charity. This SE must be established as a completely separate legal entity, remitting corporate taxes on profits generated.

The corporation is permitted to donate up to 75% of its net profits to the charity⁶¹, and only pays income tax on the remaining net profit, after the donation is made. So income tax costs of a corporate subsidiary owned by a charity are much lower than one might expect.

About the reviewer: *Richard Bridge is a lawyer based in Nova Scotia who has supported charities and non-profit organizations for nearly 30 years. He has worked and taught across Canada, and internationally, on issues relating to philanthropy. His clients have included foundations, charitable organizations, philanthropists, social entrepreneurs, non-profits, co-operatives, and government organizations of all kinds.*

Richard's current focus is on working to build new relationships between Indigenous communities and organizations, and the philanthropic sector.



Image source: [Ulnooweg](#)



Click [here](#) to access the eBook that was inspired by this section of Venturing Forth.

⁶¹In fact, *any* Canadian corporation can donate up to 75% of its pre-tax profits to *any* Canadian charity. This allowance encourages corporate philanthropy, by reducing the company's income tax bill considerably.

Little Sprout Café

Communitas Supportive Care Society

Little Sprout Café has built a loyal and enthusiastic following based on the quality and uniqueness of its offerings, while providing work experience training to people with diverse abilities. Based in Abbotsford, BC and structured as a project embedded within the parent charity ([Communitas Supportive Care Society](#)), the café is located on the ground floor of Communitas's provincial office.

The vibrant and beautiful space offers fresh, tasty, and nutritious meals that incorporate house-grown microgreens and other local ingredients. Little Sprout intentionally serves as an example of inclusive hiring for mainstream employers in the community.



Meet Little Sprout

Take a peek at the website for Little Sprout in Abbotsford, BC, and the quality of the food leads. Website visitors are met with an attractive logo; the tagline 'Little sprouts, big flavour'; some mouthwatering images of the café's offerings; and messaging focused on health, nutrients, and eating local.

Towards the bottom of the homepage, more of a postscript: an image of two enthusiastic workers, and a heading: 'we're also all about inclusion'. The section explains:

Our space is an open-kitchen concept and our hiring practices are inclusive. That means when you stop by, you can see how our Fraser Valley sourced ingredients are assembled into delightful, freshness-forward dishes by our diversely-abled team members. This is a place of inclusion, and it shows.

When folks drop by Little Sprout to pick up an almost impossibly fresh shawarma bowl or a still-warm cookie, they are not motivated by charity. They visit the café for the food quality, and the welcome that they feel when they are in the space. Little Sprout offers both takeout and dine-in service.

[CONTINUE ▶](#)

The social enterprise greets hungry customers six days a week. After testing hours of operation, Little Sprout has found their 'sweet spot' to be 8am to 3pm. Key customers include working professionals grabbing a smoothie or salad on their way to work, folks who live in the immediate neighbourhood, and young families on the go and craving healthier alternatives to fast food.

Sales revenues flow from multiple streams including in-person ordering (94.1%); catering (3.3%); plus online ordering via their website (2.6%).

More than a café – a gateway to public education

Many people who visit Little Sprout had never been to the Communitas site previously: in these cases, Little Sprout serves as an intermediary, helping to build a new awareness of the agency and its impacts. They may have learned about the café from a raving fan, noticed them on Skip the Dishes, or visited their booth at the local farmers' market.

The next time they're ordering online, they might take a closer look at the 'Our Story' section of the website: noticing the social tagline of 'real inclusion is made possible with the right conditions', and learning more about inclusive hiring practices. Some patrons may be local employers who, through observing an authentic and successfully inclusive workplace, are inspired to chat with staff about the model and how they too can incorporate more inclusive hiring.

Matt Dirks, CEO of Communitas, views Little Sprout as a model for training and inclusive employment for mainstream employers; a springboard to encourage local eating and purchasing; and a 'soft touch point' to educate people about the organization. That now-educated public could become future donors, advocates, volunteers, or Board members.

When contemplating a social enterprise launch, Communitas considers:

- ✓ whether the work experience would be of interest and vocationally valuable to people served;
- ✓ whether the training would be applicable and desirable in the labour market; and
- ✓ whether the venture would be feasible for the organization to operate.



[CONTINUE ▶](#)

Communitas as social enterprise laboratory

Communitas is a larger-sized social service agency in BC. With an operating budget of over \$35 million and 450 staff, it served 1,000 unique individuals last year.

Because of their size and reach in the community, Communitas has been able to use its own infrastructure to test out social enterprise concepts over the last 40 years. Their focus is on providing meaningful training and employment for people with disabilities.

These enterprise explorations often start as small internal projects, providing services to Communitas internally. This approach allows Communitas to test and develop the quality of services and to gather feedback on the training experiences from persons served and from their Employment Specialists, before investing more extensively, and offering services to the public.

One such example is document shredding. To test how the process might work, Communitas intentionally shifted from using an external shredding company, and began welcoming its own people served to do the agency's shredding. The budget that Communitas had already allocated to shredding could be redeployed to test the concept as a business.

This phase was a success, and Communitas developed an understanding of how best to scale this offering to the community. From this 'lean' approach to social enterprise development, ShredMasters was launched in 1992.

As technical innovations began to overtake the manual nature of the work, and erode the ability to compete in the marketplace, the enterprise was sold in 2021 to a private sector operator. At around the same time, and for the same reason, Communitas's commercial recycling venture was sold. The business realities no longer meshed with the employment and training mission of the

social enterprises. The proceeds of these sales were used to test other social enterprise concepts.

A mantra of lean business development is 'fail fast'. This means that as a concept is being experimented with, the agency can pump the breaks without having invested in a bricks-and-mortar business, and associated costs.

Communitas was considering a social enterprise that would train and employ folks to provide light vehicle maintenance such as checking fluid levels and maintaining tire pressure, plus external cleans and inside detailing.

As with the shredding exploration, Communitas moved the servicing of their fleet of vehicles in-house, to test the concept. While this enterprise is still offering training, staff determined that there was low probability of revenues covering business costs.



[CONTINUE ▶](#)

Building Little Sprout

In the case of Little Sprout, the original idea was to focus on growing and wholesaling micro greens to local restaurants. During the feasibility research period, Communitas learned that an industrial-scale competitor was about to launch nearby. The social enterprise planning then pivoted to a café with a menu that leaned heavily on the use of micro greens grown in the café space. The smaller-than-originally-planned micro green incubator forms an eye-catching feature wall of the café. The greens have also been sold at the local farmers' market on a test basis, providing workers with a new opportunity to interface with the community, away from the café space.

The café concept didn't lend itself to lean development as much as the service business ideas outlined earlier. A commercial kitchen was needed, along with menu development, special equipment, and full-menu product sourcing. In this case, Little Sprout, armed with a feasibility study and business plan, had to launch, in order to test the concept in the real world.

Little Sprout practices true cost accounting. Although the venture is located in a Communitas building, Little Sprout is charged rent; at just below fair market value, in recognition of its social contribution to the parent organization.

In preparation for launch, Communitas, with Matt Dirks steering the Little Sprout ship⁶², sought advice from experts and contracted with outside consultants in areas that they didn't have expertise in, or time to dedicate. This included interior design of the café,

kitchen design and build-out, website development, logo and branding development, and a social media marketing strategy. Working with professional chefs on menu development and testing was Matt's favourite part of the process!

Another decision point was legal structure. Little Sprout operates as a project embedded within the parent charity. This means that charitable resources (such as donations, grants, surpluses, space, volunteers, and employees) can be used by the social enterprise. Matt cautions that care must be taken to ensure that structural decisions such as these do not place the charity offside with Canada Revenue Agency (more information is featured in a separate section of this document).

Once the physical and soft infrastructure was in place, a manager was secured, and the inaugural team was hired. The trainees were onboarded, and had the opportunity to gel, make mistakes, and practice. A soft launch (with Communitas staff as customers) to allow for product refinement and working out unanticipated challenges was followed by the grand opening a month later. Matt credits much of Little Sprout's success at launch to this 'controlled opening' approach.

Funding sources to launch the enterprise included the [Investment Readiness Program](#) (at a time when it was providing non-repayable funding), other grants, and internal operating reserves earmarked for social enterprise development.

⁶²When preparing to launch this social enterprise, Matt's role at Communitas was Program Director. In 2022, he began service to the agency as Chief Innovation Officer. In 2025, Matt became the CEO of Communitas.

[CONTINUE ▶](#)

The Communitas social enterprise model

Communitas structures all of its social enterprises as a blend of short-term training, and more permanent employment. Those engaged in work experience concurrently receive supported employment supports. The training period is intended to assist people to develop hard skills, build confidence, and create recent work history (yielding a formal, written reference).

The approach supports the trainee and Communitas's Employment Specialists with feedback on the trainee's strengths, barriers, and interests. This ultimately assists the job seeker in developing self-awareness and guides their employment journey, while supporting the Employment Specialist to better understand fit, and to tailor their approaches appropriately. In this sense, the agency's supported employment services dovetail with its social enterprises.

In Canada, roughly a quarter of community-owned social enterprises such as those of Communitas operate as pure profit-making social enterprises. Those profits are directed to the core work of the parent organization, which results in stronger or broader community impacts. An example is a charity that purchases a Tim Hortons franchise, with no social hiring.

Communitas would never consider such an option, as its *raison d'être* is training and supporting people with diverse abilities. They also argue that a 'pure profit' social enterprise model wouldn't promote inclusive hiring practices, or support people in their employment goals. The training aspect provides value to job seekers, and a model for inclusive hiring to the broader business community.

There might also be a risk of 'mission creep': drifting away from an organization's social purpose if profit generation outweighs core considerations.

Structuring work at Little Sprout

Trainees are paid an allowance that is equivalent to minimum wage during their time-limited training. Generally, training is limited to 2-8 hours per week, over 3-6 months. Permanent positions in the café pay at minimum wage or greater, depending on the position, ranging from 8-40 hours per week.

Over time, leadership noted a relatively high (~33%) level of absenteeism for Trainee shifts. This is expected, and is an expression of the 'patient employer' aspect of these enterprises. To ensure even service at the café, the different skill levels of people involved in the café are aligned with the purpose and expectation of the role. In practice, this looks like:

- ✔ Trainees – are supplemental to operations and scheduled 'as if' they won't attend their shift. This allows these short-term work experience participants to receive incremental learning and support – meeting them where they are at, in their journey toward community employment
- ✔ Team Members – are entry level staff, who've often previously participated in training at Little Sprout, or folks with 'less' barriers to work: as employees, it is expected that they will attend their shifts and provide value
- ✔ Specialists – are the chef, baker, and baristas: the shifts cannot run without these staff, as they provide leadership to Trainees and Team Members, and hold particular expertise in café operations

When a Trainee shows up for their shift, they work alongside a more experienced worker. When all Trainees arrive for their shifts, the place is busy, and there is never a shortage of things to learn in the restaurant setting!

CONTINUE ▶

Little Sprout's social targets

The venture aims to have at least eight Trainees participating in structured work experience at the café annually. All Team Member staff positions are reserved for people with diverse abilities.

Matt explains the blend of training and employment that Little Sprout offers. 'We love seeing people come through the training stream, enjoying the café, learning plenty, and growing in their skills. Over the year, most of the Team Member positions are generally filled by Trainees who previously participated in work experience. They tend to want permanent hours, more responsibility, and the chance to give back to new Trainees. But the majority of people participating in training are subsequently connected to employment within the community.'

Matt says that they aim to have at least half of total staff as diversely-abled. It's important to have a balance of staff that can provide extra support to Trainees and to those who might have higher levels of need or accommodation.

Outside of employment and training, Little Sprout uses surveys and interviews with staff and supported people, to evaluate impacts. They typically assess for quality-of-life improvement: feeling purposeful, growth in skills and confidence, developing supports and resources in community, etc. In 2024, 32 of 78 people receiving employment supports at Communitas responded to the optional survey. Here are some excerpts from the annual outcomes report:

Work: 42% of all respondents indicated that they currently have a paid job, with the remaining 58% interested in obtaining paid work.

Benefits of Work: people served agreed that having a job allows them to 'do more things [they] like' (91%), 'feel better about [themselves]' (94%), and 'connect with other people' (94%). This demonstrates a strong correlation of the benefits of work with overall quality of life – aside from just financial. Family members and stakeholders had similarly positive responses with 92%, 92%, and 83% agreeing to the respective benefits listed above.

[CONTINUE ▶](#)



Communitas is a hybrid agency (that is, partially unionized), and as such, has not encountered challenges with job carving, other forms of customized employment, and adding Work Integrated Social Enterprise (WISE) workers to payroll generally.

By contrast, WISEs that are embedded within fully unionized agencies ought to take more care in transitioning WISE workers to payroll. Open communication with union representatives – including the uniqueness of the positions being proposed, and the overarching purpose of offering them – is essential.

Skill Development: 97% of people served indicated that they 'know how to prepare [themselves] for their first day of work' and 84% felt 'able to describe [their] employment skills'. There was a gap between perceptions of their own skill development and what their family members and stakeholders perceived: with 67% of respondents agreeing to both statements.

A common 'business impulse' is replication once a site is successful. Instead, Little Sprout adopts a slow and steady approach, continuing to tweak the business model. While acknowledging the potential for growth (which to Communitas chiefly means greater impacts in training and employment, rather than profit-making), they are avoiding growing too big, too fast. Their priority is to remain person-centred, while strengthening and expanding the products on offer.



Little Sprout's financial targets

Communitas had budgeted for the first two years of Little Sprout as showing a loss, provided that their social costs ($\approx 24\%$ of the total social enterprise costs) could be covered via subsidy. Year three was to be a breakeven year. Because Little Sprout's launch coincided with the COVID pandemic and associated social restrictions, these financial projections had to 'reset' with a relaunch after staff losses were righted, and dine-out norms approached pre-pandemic levels. As with all businesses in this industry, rising food costs have diminished the bottom line.

Generally speaking, even restaurants without social mandates tend not to reach profitability until multiple years in operation. Some never do: the food service industry has a high failure rate. Add to this: employment and training social enterprises absorb higher costs than businesses with the same offerings.

The enterprise has demonstrated strong growth in new customer attraction and daily sales volumes. From its 2023 fiscal year to its 2024 fiscal year, Little Sprout Café increased its net sales by 56%. The 2025 fiscal year was projected to land at 85% above the 2023 baseline. They continue to work toward achieving business cost recovery through expense management (e.g. reducing food costs and spoilage) and diversifying revenue streams (e.g. expanding catering offerings).

[CONTINUE ▶](#)

Considering social costs

The café's social costs include wage overages connected to the special workforce, adaptive tools and technology, worker turnover inefficiencies, higher levels of equipment breakage and replacement, and re-training costs when people move on to employment in the community.

Little Sprout covers the social costs of the enterprise through grants from foundations, credit unions, and various levels of government, and exploration of wage subsidies for new staff. Communitas's fundraising efforts attract donations. The training and work experience facilitation costs are partially supported through an annual employment contract with the local Health Authority.

On competition

Matt views competition as healthy, and contends that community-based organizations need not be concerned about launching a business where a for-profit venture provides a similar offering. Like businesses elevate quality.

As an example, in downtown Abbotsford, there is an ever-growing cluster of cafés: as more and more of them enter the neighbourhood, the area bustles and buzzes. On social media, the cafés support and cross promote, giving each other kudos and encouragement. Some are coffee-forward, some focus on baked goods, a few roast their own beans, one sells fresh flowers, another offers wines to go.

Little Spout self-identifies within the local café constellation as 'fresh food-forward'.

How a smaller group might get started with a 'mini' enterprise

Matt suggests that agencies consider the services that they are already paying for and are currently contracting with external organizations to provide. Could these offer relevant and meaningful training opportunities for people served? If so, why not consider the development of training and/or employment 'mini' ventures that may only service the agency; or could spin off into public-facing enterprises in the future?

Communitas tested office cleaning, landscaping, and fleet truck servicing with themselves as a patient customer and real-life lab, before deciding whether to spin these off as services to external users. This is a solid example of the lean start-up approach to social enterprise development.

And of turning lemons into lemonade. In the process of executing a testing phase, it may be that the concept doesn't prove to be feasible as a venture that offers goods or services in the marketplace, but may serve well as a work experience project that provides the parent agency with needed goods or services. Regardless of whether the venture serves the host organization only, or the public, Communitas pays staff wages; and training allowances to trainees, of minimum wage or greater.

[CONTINUE ▶](#)

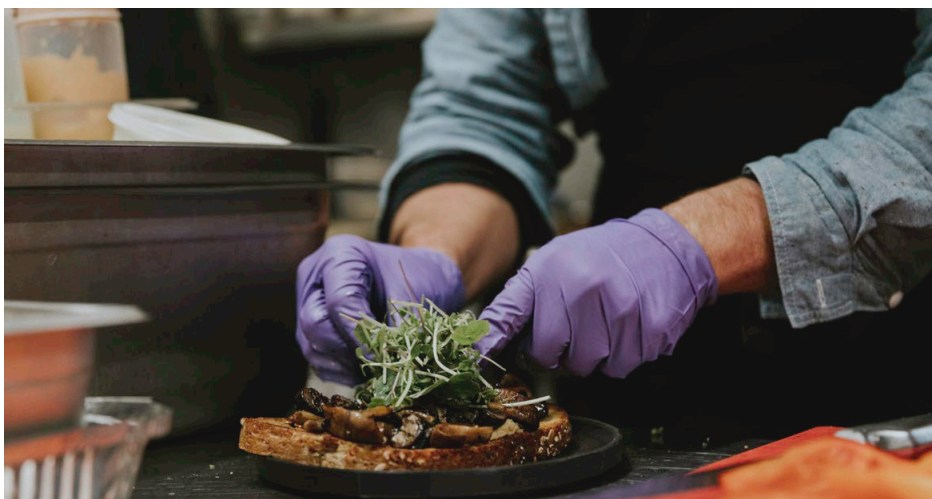
Little Sprout best practices

From its decades of social enterprise development experience, Communitas understands that whatever the good or service, it needs to shine.

With Little Sprout, the options were either a race to the bottom, selling larger quantities of cheap food; or selling high quality, local (when possible) fare to an audience willing to pay more for a superior product. They took the high road.

Little Sprout leads with its food and drink offerings, coupled with a solid customer service experience. Then it tells the Communitas story. People won't buy only because of the social aspect.

Customers are not viewed as donors. They receive something of value for their purchase. And they are regarded as key stakeholders and partners in Communitas's core drive to create employment, and offer training opportunities for people who can be excluded from the mainstream economy.



About the co-author:

Matt Dirks has over 15 years of experience in the social service sector and currently serves as the Chief Executive Officer at Communitas Supportive Care Society. He holds a Master's degree in Public Policy and Administration from the London School of Economics.

Throughout his career, Matt has overseen operations, launched, developed, and been involved in selling and closing various social enterprises. His commitment to societal change and advocacy for people of all abilities is rooted in his personal experience growing up with a sibling with Angelman syndrome. Matt's education, work experience, and personal journey drive his dedication to creating inclusive communities in which everyone can contribute.



This information is not intended to replace legal and tax advice. Readers are encouraged to undertake their own research, and consult professionals with respect to their own social enterprise situations.

Remuneration of WISE workers in British Columbia

Under very specific circumstances, individuals working within Work Integrated Social Enterprises (WISEs) in BC are exempt from minimum wage requirements, by virtue of certain workers being excluded from the (BC) *Employment Standards Act*. In these situations, the social enterprise is permitted to remunerate workers at less than [minimum wage](#)⁶³.

A particular section in the [Employment Standards Regulation, BC Reg 396/95, Part 7, section 32\(3\)](#) pertains to the definition of 'employee' and excludes certain individuals and types of work from the Act's coverage. This section is worth quoting in full, and should be read and understood in its totality.

⁶³ In fact, exclusion from the *ESA* goes beyond an exemption for paying minimum wage to workers. For example, the requirement to pay a minimum number of hours per shift resides in the *ESA*. A guide to the *ESA* and associated regulations is [here](#).

32(3) The Act does not apply to a person receiving

(a) income assistance or supplements under the Employment and Assistance Act, or

(b) disability assistance or supplements under the Employment and Assistance for Persons with Disabilities Act,

(c) Repealed. [B.C. Reg. 36/2019, s. 3 (a).]

while the person is participating in a time-limited government program that provides on-site training or work experience and is operated under an Act referred to in paragraph (a) or (b).

A November 2024 clarifying email from Employment Standards Branch, BC Ministry of Labour, states:

'The term 'government program' could include programs operated through private entities. In order to qualify, the programs must be established and operated under either the *Employment and Assistance Act* or the *Employment and Assistance for Persons with Disabilities Act*. Government funding is not the critical issue, rather it is whether the program can be said to be governmental in nature.'

And further:

'A government program would need more involvement from the government than simple funding. Other factors to consider could include: who made the decision to create the program; who set its parameters, metrics, and outcomes; who provides oversight of the program; and who communicates about the program to the public.'

[CONTINUE](#) ▶

Also:

'Section 32(3) does not establish an acceptable time limitation. Rather than focusing on a specific period of time, in assessing whether the exemption applies we would consider whether there is a clear and realistic prospect that the program will have an end. The onus would be on the employer to demonstrate that there was a reasonable prospect that the employee's participation would end in order to apply the exemption.'

And:

'As noted above, the exemption hinges on whether it is a government program or not. It is likely that a self-funded program would never exhibit the traits of a government program – control of metrics and outcomes – necessary to qualify.'

If a WISE is paying less than minimum wage (e.g. honoraria; piece work below the hourly minimum wage equivalent; an hourly amount below minimum wage; averaging of time worked that amounts to less than minimum wage for each hour worked) then it must have a clear rationale for this practice, which should be firmly grounded in the *Employment Standards Act* exclusions and the associated regulations.

Considering WISEs, paying less than the equivalent of minimum wage is only permitted in cases where **ALL aspects** of section 32(3) of the *Employment Standards Regulation* are met.

A key element: the program must be funded through either of the two legislative Acts named. For instance, if a WISE offers time-limited work experience and training to people receiving the PWD benefit, is funded by government, but not with funds connected to either the *Employment and Assistance Act* or the *Employment and Assistance for Persons with Disabilities Act*,

then the participants must be paid the equivalent of at least minimum wage. It appears that CLBC funding is connected to the *Employment and Assistance for Persons with Disabilities Act*⁶⁴.

A key takeaway, and advice for WISE operators in BC is:

Do not assume that your WISE has any grounds for paying less than minimum wage.

The *BC Employment Standards Act (ESA)* is intended to have large and liberal application to workers in BC: there are few exceptions, given that the spirit of the Act is to protect people. To receive the specific exemption from the *ESA*, the WISE's situation must align with all elements outlined in [S32\(3\) of the Employment Standards Regulation](#)⁶⁵.

[CONTINUE ▶](#)

⁶⁴ We have been unable to confirm without a doubt that the (BC) Ministry of Social Development and Poverty Reduction (MSDPR) funding flows to CLBC from either or both of the two Acts in question, but this is likely to be the case. Sections 6 and 7 of the two Acts that fall under the *ESA* exclusion grant MSDPR the authority to fund individuals and programs. The [MSDPR Service Plan for the years 2025-8](#) (dated March 2025) shows an amount that it funds for Community Living Services (page 13) that flows exactly to [CLBC's own Service Plan for 2024-27](#) (page 26). This contribution constitutes ~98% of CLBC's total budget. However, this connection does not definitively 'prove' the legislative source of the funding; and CLBC has not provided confirmation of such, at time of publication. WISE operators are therefore advised to use caution when considering minimum wage exemptions that require certainty in this area.

⁶⁵ As opposed to the *BC Employment Standards Act*, where [S32 relates to meal breaks](#).

Examples of WISE scenarios are provided below.

For minimum wage exemption	Worker receives income or disability assistance; or related supplements	Social enterprise is 'governmental' (i.e. funding related to either specific employment Act + control + outcomes)	Social enterprise work period is time-limited
Training WISE funded by government – under one of the two specified Acts	Yes	Yes	Yes
Training WISE supported by government funds unconnected to either of the two Acts	Situational	No	Yes
Employment WISE ⁶⁶ supported by government funds, whether connected or unconnected to either of the two Acts	Situational	No	No
Employment WISE not funded by any other source, whether connected or unconnected to either of the two Acts	Situational	No	No
Social enterprise with no training / employment element (e.g. pure profit generation)	No	No	No

- A green result indicates a minimum wage exemption via worker exclusion from the BC *Employment Standards Act*. A 'Yes' result across all three conditions.
- An orange result indicates no such exemption: workers must be paid the equivalent of (at least) minimum wage. A 'no' result in at least one of the three conditions.

[CONTINUE ▶](#)

⁶⁶ 'Employment WISE' used in this context means that the workers are provided with employment without an anticipated completion date. That is, the worker in an 'employment WISE' is permanently employed; rather than training with an end date, or with the agency's intent to build skills in order to ladder the participant to permanent employment outside of the WISE.

WISE workers 'on payroll'

While the BC Employment Standards regulations provide an exemption from paying minimum wage in very particular circumstances, there does not appear to be a similar exemption within the *federal Income Tax Act*⁶⁷, to relieve agencies from treatment of their WISE workers as employees. So, in many instances, WISE workers are 'on payroll'.

This means that statutory deductions must be deducted from gross pay, and remitted to the Canada Revenue Agency regularly, on the employees' behalf.

CPP deductions are matched by the employer dollar-for-dollar; while EI deductions are matched by the employer at a rate of 140% of the employee deduction⁶⁸.

Upon start of employment, the employee must complete the appropriate TD1 forms, which dictate the rates of ([federal](#) and [provincial](#)) income tax to be deducted.

⁶⁷ An exemption related to Employment Insurance deductions may be possible in cases where a government or organization is the subject of an agreement with the Canada Employment Insurance Commission. This may be worthy of more investigation, but is not contemplated here (see section 7 'Employment Excluded from Insurable Employment', section (f), within the [Employment Insurance Regulations](#)).

⁶⁸ For example, for every \$1 of EI deducted from the employee's paycheque, the employer contributes \$1.40 of their own. For a total remittance to CRA of \$2.40.

After the end of each calendar year, the employee is issued a T4 slip by the employer. The T4 income is then claimed on the employee's personal tax return.

At the end of the employment relationship, the employee would be issued a Record of Employment. Depending on the reason for the termination (e.g. shortage of work), and whether a certain threshold of hours worked had been reached, the employee could apply for Employment Insurance coverage⁶⁹.

WISE workers and WorkSafe (BC)⁷⁰ coverage

Those who are considered by WorkSafe BC to be 'workers' (a WorkSafe-specific term meaning those who fall under the [Workers Compensation Act](#)) require WorkSafe coverage.

This expense is borne by the employer and is calculated as the worker's gross wage multiplied by the rate classification of the work (which is based on the risk level of the particular industry, plus the particular WorkSafe claims history of the employer).

[CONTINUE ▶](#)

⁶⁹ As with any form of income, the worker would declare the EI benefits within their PWD reporting; and Service Canada would issue a T4E slip for inclusion in the EI recipient's personal tax return.

⁷⁰ All references here to 'WorkSafe' and 'WorkSafe BC' relate to the BC jurisdiction only.

[WorkSafe BC's Current Assessment Manual](#) (latest version: May 2026) contains a section (7) clarifying that volunteers are not 'workers' (in WorkSafe BC's sense of the word), and are therefore not subject to WorkSafe coverage. Specifically from PDF page 33:

'Volunteer' is not defined in the Act. A volunteer is an individual who generally provides services freely and without pay or expectation of pay. Volunteers may receive nominal payment or tokens of appreciation including honorariums. A volunteer is not engaged under a contract of service and is not a worker, unless they are specifically deemed or defined as a worker under the Act.

The *Employment Standards Act* requires that minimum wage be paid in any instance where an exclusion from the Act doesn't exist. So we can conclude that the 'volunteer exemption' of WorkSafe BC would not apply to workers in employment WISEs (who must receive minimum wage or better); or to workers in training WISEs who do not fall within the *ESA's* minimum wage exemption.

WISEs do not fit WorkSafe's definition of practicums (which are unpaid, exempt from WorkSafe coverage, and connected to 'a post-secondary institution authorized or certified by the Provincial Government'). Some WISEs may meet the WorkSafe definition of 'internship', but in any case, interns are to be covered by WorkSafe (i.e. the employer contributes WorkSafe coverage for interns)⁷¹.



It's important to note that from the point of view of risk to the agency, WorkSafe coverage of WISE workers is prudent. In instances of workplace injury, WorkSafe provides supports and benefits to workers, and protects the agency from being sued for workplace injuries⁷². A best practice is for the agency to (also) explore and secure workplace injury coverage within their own general liability insurance coverage.

[CONTINUE ▶](#)

⁷¹ See [WorkSafe BC's Current Assessment Manual](#) (latest version: May 2026) section 8, for the details.

⁷² Section 127 of *Workers Compensation Act*: 'Limitation on legal proceedings against employers or workers'.

Volunteerism generally

Volunteering is an expression of civic responsibility and engagement, and is therefore to be encouraged of all citizens.

That said, volunteerism is undertaken with consent. This is in opposition to a situation where a worker is *informed* that they are volunteering (and therefore won't be paid). Or volunteering alongside someone else who is paid to do the same or similar work.



Honoraria

An honorarium is a form of voluntary payment typically reserved for one-time or similarly rare situations, as a token of appreciation. Because these are not paid on an ongoing basis, honoraria fall outside of the scope of the *Employment Standards Act*.

Honoraria are not intended as a longer term remuneration method, or a workaround for avoidance of paying minimum wage. In the historical context of sheltered workshops, they were often used in lieu of fair pay.

Acting as a selling agent

If the agency acts as a selling agent (e.g. selling artwork in a retail space along with the work of other artists, and retaining a commission on the sale) then the relationship falls outside of employment (and therefore, the *Employment Standards Act*). The minimum wage requirements do not apply, nor would the maker be on the agency's payroll. The maker in this example is self-employed⁷³.

This is distinct from a WISE in which people are producing the same items; or contributing to the preparation of the same item or items. In this situation, the workers would be participating in production managed by the agency. They would be considered employees of the agency, rather than self-employed individuals. Minimum wage would apply aside from specific situations, in which the worker is excluded from the *Employment Standards Act*.

⁷³The maker would claim their income (with associated expenses deducted, which include commissions paid to the agency) on their personal income tax return, using the schedule [T2125 Statement of Business or Professional Activities](#).

Employment as inclusion

By Leni Goggins

Employment is a social determinant of health that we often take for granted in the social services. According to the World Health Organization, social determinants of health (like employment, education, food security, housing, and social inclusion) have more impact on an individual's wellbeing than health care itself, [accounting for 35%-55% of health outcomes](#).

In BC and many other provinces, we have supported employment systems that aim to assist individuals with disabilities to find work. Nationally, [Ready Willing & Able](#) has assisted employers in employing over 5,000 individuals across Canada with intellectual and developmental disabilities (IDD); and generates a 'net positive' result for the government because the more that citizens are earning, the more that governments save in disability benefit payouts.



What if employment is a vector for social inclusion? If being employed is directly linked to wellbeing (or conversely: unemployment is directly linked to using more costly services), then more emphasis should be placed on the importance of having access to meaningful work.

We do not, however, have access to good data on cost savings when people are gainfully and meaningfully employed. Employment and health don't often 'speak' to each other because they are areas overseen by separate provincial and federal Ministries, with different mandates and structures in place to support those mandates.

One of the solutions that we see in [our organization](#), which is a Community Living organization operating in the qathet (Powell River) region on BC's coast, is to offer low-barriered employment options such as social enterprises.

Work Integration Social Enterprises (WISEs) are set up specifically to get folks who face barriers (whether they be people with disabilities, newcomers, racialized groups, or seniors) into jobs that have as few barriers as possible, for long-term employment to be a possibility. These social enterprises are not sheltered workshops because they are not exclusive to people with IDD (unless they are owned and operated by people with IDD, which, we would argue, is inclusive), and they pay minimum wage or higher.

WISEs remain necessary today because lowering barriers to employment (such as having more people do less vs. less people doing more, to gain productivity) may be less profitable (or is perceived as being less profitable); and requires more thought, effort, and leadership. The bigger the barrier, the greater the effort

[CONTINUE ▶](#)

necessary on the part of the employer to transform the workplace into a low-barriered employment option.

In our research with the [qathet Inclusive Manufacturing Pilot Project](#), we tested a model of inclusive employment that removed some key barriers for people with IDD, and learned that these also benefited folks with and without other disabilities.

The five best practices from this project include:

- ✓ inclusive culture
- ✓ flexible schedule and duties
- ✓ natural supports such as peer-to-peer support
- ✓ equity, and
- ✓ customized training.

Between 2020 and 2023, inclusion Powell River operated a WISE called OneLight, which was modeled on a well-established

business in Europe that is a 'sheltered workshop', with equipment and tasks specifically designed to employ people with IDD in a congregated setting.

We flipped the business model on its head and made it inclusive of people from all walks of life: young, old, those with and without disabilities. We attempted to balance the number of individuals working with IDD with those who do not have a disability. The findings included astronomical retention rates of employees, with positive outcomes reported by many.

This project ended due to lack of government funding to support the additional costs of operating a low-barriered work environment. Some former employees went on to work in mainstream competitive jobs in the community, with multiple cases of individuals fully coming off of disability benefits. Many others remain unemployed today, unable to overcome the barriers that persist in the labour market, while also struggling with other social determinants of health such as access to housing.

About the Author:

Leni Goggins is the Director of Social Economy and Other Cool Stuff at [inclusion Powell River](#), leading projects such as the [New Inclusive Economy](#), [qathet Inclusive Manufacturing](#), [OneLight](#), and [Kindred ReBuild](#). She grew up in the qathet region where she lives now with multiple generations under one roof. Leni combines two decades of experience working with people with disabilities, seniors, and youth: with her project management work with non-profit and socially-minded enterprises.



Specific context within the Community Living sector

Within the Community Living sector, agencies that support people with intellectual disabilities commonly operate social enterprises.

Some of these ventures exist mainly to generate profit, which is redirected back to the agency's general social programming. Many of these are housed in separate taxable corporations, owned by the parent organization. While they are legitimate social enterprises, these are not Work Integrated Social Enterprises (WISEs), as there is no 'work integration' aspect.

However, the majority of social enterprises within the Community Living sector are WISEs – their core purpose is to foster community inclusion by offering supportive and patient workplaces that host people with diverse abilities as workers in perpetuity (employment WISE's); or temporarily (training WISE's) in order to build individuals' capacity to work in competitive employment.

What follows are some general best practices and principles for those planning, operating, and funding WISEs focused on supporting diversely-abled workers.

We are not proposing best practices for profit-first social enterprises, or any social enterprises with mandates outside of training and employment for those with diverse abilities.

Emergence from the Legacy of the Past

'WISEs for people with IDD [intellectual and developmental disabilities] face the unique challenge of distancing themselves from sheltered employment, particularly if sheltered workshops were operated by the particular agency in the past. A range of business strategies were identified as countering the spurious association with sheltered workshops.

These included: producing high quality, desirable goods or services that meet a recognized or potential market need, and thus are valued in the community; presenting a positive public image of people with IDD and their work roles; creating integrated work structures, where workers with and without IDD work side-by-side; providing opportunities for interactions between workers with IDD and the general public; and finally, paying wages at minimum wage or industry standards.'⁷⁴

⁷⁴ Lysaght, R., Krupa, T., and Bouchard, M. (2018) [*The Role of Social Enterprise in Creating Work Options for People With Intellectual and Developmental Disabilities*](#), page 5. Featured in *Journal on Developmental Disabilities*: volume 23, number 3.

CONTINUE ▶

What these WISEs are not

WISEs are not sheltered workshops. In contrast to sheltered workshops, WISEs:

- ✔ Remunerate workers, meeting or exceeding the requirements of provincial labour standards and within federal guidelines
- ✔ Hold training and/or employment as their primary purpose
- ✔ Strive to provide social inclusion opportunities for workers, through customer and supplier interactions, and promotional activities
- ✔ Balance worker preferences and abilities with operational needs
- ✔ Prioritize worker experience over production efficiency
- ✔ Reject institutional or one-size-fits-all approaches to supporting people served
- ✔ May support workers with and without disabilities

WISEs differ from competitive employment in that they:

- ✔ Do not hold profit-generation as a primary goal
- ✔ Incur significant social costs to operate
- ✔ Employ job carving when needed
- ✔ Serve as a supportive employer, meeting workers where they are at, encouraging skills development, and fostering meaningful experiences
- ✔ View worker transition to other employers as a success indicator
- ✔ Scale to offer experiences to more people served, as the business grows

Supported with feedback from experienced leaders in BC's Community Living WISE sector, we share here some best practices / principles for building and maintaining WISEs (aka SEs) in the Community Living sector specifically.

We acknowledge the diversity of WISEs: so in no way intend this to be a completely comprehensive, or prescriptive list. Not all suggestions will apply to all situations.

This inaugural list should be updated as experiences deepen within the sector; and as practices and circumstances evolve.

Worker engagement

- ✔ Engage workers in the SE's development at launch (i.e. 'not about us without us'); and on an ongoing basis where possible
- ✔ Clearly communicate possibilities and requirements to workers; focusing on confidence-building, skill development, and job discovery
- ✔ Offer workers choice: what they do, when they do it, how often

Worker experience

- ✔ Build SE's in which multiple levels of work opportunity are available (considering advancement / choice / equity)
- ✔ Ensure that the nature of the tasks is such that workers can produce at a minimum wage level or greater
- ✔ Enable workers to earn to their potential

[CONTINUE ▶](#)

- ✔ Fit operations to people rather than the other way around; meet workers where they're at, and with flexibility; provide accommodations whenever needed
- ✔ Expose workers to as many social inclusion and integration opportunities as possible
- ✔ Accept that some workers are satisfied with their current level of skill and experience (stability / social aspect of work, above 'career progression')
- ✔ Never forget the sector's history of sheltered workshops; and always foster a rewarding experience for workers
- ✔ Provide training and work experiences that are reflective of industry standards and expectations, to ensure smooth transitions into competitive employment



Financial sustainability

- ✔ Ensure that the WISE can cover its business costs with sales: this is referred to as 'business cost recovery'
- ✔ Embrace and educate stakeholders (including Board members and funders) about the realities of WISE financial sustainability: full business cost recovery, with social costs being covered by external funding support (e.g. grants) in perpetuity: subsidy needs are not time-limited
- ✔ Encourage funders and governments to understand the social return on investment (SROI) to be reaped by investing in your WISE; quantify its impacts whenever possible
- ✔ Clarify your WISE's relationship to profit, acknowledging the tension between training / employment goals and profit generation – these are two opposing aims
- ✔ Use full cost accounting (e.g. including the host agency's absorption of bookkeeping, janitorial services, usage of space, utilities, and management time) to demonstrate the true expenses of the WISE
- ✔ Educate executive leadership, funders, Board members, and potential donors about the need to subsidize the WISE's social costs in perpetuity
- ✔ In cases where specific grant streams and donors won't support 'wages', consider reframing the need as supporting the outcomes that those wages yield: such as employment, capacity building, lessened reliance on social safety net, etc.
- ✔ It's acceptable to compete with other businesses in the traditional marketplace, just as they are welcome to operate WISEs – this is not unfair competition, given the added social costs of operating a WISE

CONTINUE ▶

Business development

- ✔ Business acumen is a must: include advisors with experience in the specific offering, position skilled people as champions; while dedicating time and resources to educating those with business skills about the social value of the venture
- ✔ The good or service must compete (on quality) in the marketplace: the social inclusion aspect of the venture is not enough to generate sustained sales
- ✔ Particularly if the WISE is focused on training workers, with the goal of assisting them to transition to work in more traditional employment settings: train on the same or similar equipment and protocols that exist in like businesses
- ✔ Consider social acquisition: purchasing an existing business and converting it to a WISE, rather than starting a venture from scratch (see dedicated section on social acquisition in this document)
- ✔ Where it makes sense, entertain Lean Start-Up approaches in testing new business ideas (see dedicated section on Lean in this document)
- ✔ Consider market demand, what niche your SE fulfills, and your plan to capture market share: this is not a social program, and decision-making should be exercised through a business lens
- ✔ Acknowledge the failure rates of traditional business: pivoting is normal; a failed venture doesn't mean a failed agency, or that another concept might not be explored; there is tremendous value in the learning, and in exercising 'the right to fail', which has historically been withheld from people with disabilities

CONTINUE ▶

Some thoughts on social enterprises competing in the general marketplace, from Leni Goggins:

WISEs are businesses that compete in the market with other businesses, but must consider their role in the marketplace and should not undercut businesses that provide traditional employment opportunities. The value proposition of the good or service is always in tandem with social impact, and this should be communicated to other businesses.

For example:

1. A tax office that employs neurodivergent accountants may offer a lower fee for service, but the longer processing time is communicated with customers and to competing businesses. The service is high quality, but may not be the fastest.
2. A cleaning service is established at a competitive rate, and reaches out to other local cleaning services to fill gaps in the market.
3. A soap company charges a higher rate for products, and communicates how the higher cost serves the community.
4. A construction company charges high rates for their service because of a lack of competition and limited tradespeople. A WISE offers to connect trained workers to the company, and extends lower pricing to non-profit and community-based construction projects.

Business compliance

- ✔ Understand the importance of agency compliance with CRA and other requirements, including provincial employment standards and accessibility legislation
- ✔ Advocate for enhancements in current government policy and practice, as it relates to enabling this work

Relationship building

- ✔ The WISE's Unique Selling Proposition (USP) is its inclusive training and employment practices: lean into it with pride, when promoting the business, and building relationships
- ✔ Engage in social procurement: purchase quality goods and services from other social enterprises
- ✔ Recognize the entire social services ecosystem as a holistic unit: WISE operators, social inclusion and work integration, funders of outcomes, and investors in WISE savings to the social safety net
- ✔ Share your own lessons learned and success models with groups interested in engaging in WISE development
- ✔ Proactively engage with the 'competition' through a lens of partnership, which could include supporting their employment needs, and clustering like offerings
- ✔ Where possible, build relationships with workplaces engaged in supportive employment, acting as a 'feeder' of experienced workers to their businesses
- ✔ Let your WISE serve as a model for inclusive employment practices, inspiring traditional businesses in your community to unlock their latent capacity to serve as a vector for meaningful social and economic inclusion



The Mindful Mouthful

Clements Centre Society

The Mindful Mouthful is an employee-centred bakery based in Duncan, BC, and is structured as a project of [Clements Centre Society](#) (a registered charity). Employing over a dozen workers with diverse abilities and paying at least minimum wage to everyone since 2016, Mindful Mouthful sells its sweet and savoury items to retailers across southern Vancouver Island. Dedicated to baking high-quality foods with superior ingredients, the employment social enterprise is focusing on streamlining production to meet demand.



Meet The Mindful Mouthful

The epicentre of Mindful Mouthful is a spotless commercial kitchen in Duncan, BC. It's abuzz with activity. Baker Tawney is scooping gingersnap cookie dough into uniform balls. Her colleague Laura follows behind to smooch the dough balls flat. Austin, the pastry chef – who doubles as general supporter and gap filler of the bakers in the crew – is rolling out the dough for steak and kidney pies.

Another crew is focused on packaging, wrapping the finished product, and affixing professionally-designed stickers that include nutritional information.

Kitchen Manager Jackie DeJong – who once served some of these social enterprise employees as their support worker – looks on with satisfaction, and provides guidance as needed.

Everyone is in 'the zone': focused on their work, while having a good time. The mood is light. Production is on track, and comparable to any other bakery operating at the same scale.

The cookies, sausage rolls, squares, cakes, meat pies, and quiches are headed to retailers across southern Vancouver Island. Over a dozen locations carry Mindful Mouthful's offerings. There is a list of additional vendors, awaiting the opportunity to purchase the treats.

[CONTINUE ▶](#)



The origin story

The Clements Centre Society was formed by family members who acted to prevent their children being exposed to institutional systems. Through Clements, these caregivers provided schooling for their children, as mainstream schools of the time didn't offer the accommodations that we tend to see today. Charitable status was attained in 1967.

Now Clements operates on an annual budget of over \$13M, serving more than 2,500 people in the Duncan area annually.

The vision of Clements Centre Society is of a community in which everyone is included, valued, and celebrated. So it follows that social hiring mandates are 'baked into' the way that they operate... so to speak!

For many, Mindful Mouthful is the only welcoming permanent employment opportunity open to them in the community. Based on this reality, the bakery positions itself as a hybrid: at times providing a short-term training environment should other employment be secured elsewhere. That said, employees are under no pressure or expectation to bounce to other jobs. Worker choice is paramount.

Most people remain employed by Mindful Mouthful, a few have second jobs, and there's a list of folks waiting to work at the bakery. Clement Centre's day program participants are on a casual call list, covering shifts for employees who are sick or on vacation. It never fails: as soon as the casual workers get a taste of the experience, they express interest in formally working at Mindful Mouthful.

Mindful Mouthful began its life as a sheltered workshop in the early 1990's, when many of the recipes were created. The public was able to purchase lunch items as well, and could eat in the adjoining cafeteria. Within that program, participants spent all day in the kitchen, with everyone paid a monthly stipend of \$50 for 30 hours of involvement: standard practice at the time.

Clements Centre CEO Dominic Rockall observes that sheltered workshops are generally segregative, not dynamic, and unethical, so the Community Living sector began to shift their practices in the 90's. When Clements leadership decided to close down the workshop, they were met with an outcry from participants, their families, and the public who enjoyed the food so much.

Bringing a progressive approach to reorganization, the initiative was reopened as a day program called Lunch on Clements in 2008, no longer paying the weekly stipends. Around 15 volunteer participants continued to spend some time in the kitchen, but also enjoyed community outings and other social engagement

[CONTINUE ▶](#)

and learning opportunities. However, the kitchen activity was still generating up to \$100,000 in annual sales. When Dominic joined the organization in 2013, he recognized that the agency had a business on their hands.

Mindful Mouthful today

Armed with social enterprise development funding from Enterprising Non Profits, and a three-year grant from the Vancouver Foundation starting in 2016, the day program was converted to a social enterprise embedded within the charity.

The venture, now led by Clements Centre's COO Zoe Dalton, shifted to paying the workers minimum wage (now including over a dozen bakers and pastry artists); undertook rebranding; shortlisted their most popular offerings; secured professional cooks to develop work plans; developed nutritional labels; and switched to take-out only, decommissioning the cafeteria. Sales doubled.

In addition to hiring the people whom it serves, the organization acts as a model for mainstream employers, intentionally inspiring the broader community to adopt inclusive hiring processes. They are clear that operating a 'just for profit' social enterprise, to feed surpluses back to its charitable activities, would not be a fit from a values perspective: inclusion is the name of the game for Clements Centre Society.

At first blush, a bakery employing mostly people with diverse abilities, with no dine-in service, may be viewed as segregative. In reality, efforts are always made to foster interactive activities beyond the kitchen. Bakers accompany catering orders to corporate client sites. Mindful Mouthful has hosted a Chamber of Commerce event featuring special off-menu items, with its creators featuring prominently. The bakery also hosted a social enterprise event for Scale Collaborative, with the bakers and kitchen managers presenting as part of the program.

Community education

[A short film was made featuring Mindful Mouthful](#), which premiered at the local movie theatre: its employees were interviewed there at a live Q&A, sharing what the Mindful Mouthful experience means to them. The 'movie stars' can't wait to be featured in a 'sequel'.

With the aim of widening people's perceptions of what those with diverse abilities are capable of, all products sold include a business card with a baker's photo, and a statement about what the social enterprise means to that individual. This practice builds community awareness, and fosters an inclusive and humanizing aspect: a dozen cookies at a time.

The employee experience

The employees report loving the work, and having a blast producing alongside their friends and colleagues. They're fully accepted and included by each other, and are proud of their personal identities as bakers. Work attendance is excellent.

Job roles change across shifts, based on increasing skill and confidence levels; resulting in practical experience building, in a range of tasks and responsibilities.

Arguably, the team members would likely not experience the same sense of belonging and inclusion in a mainstream employment setting (should the jobs be available in the community). Some bakers have grown up using Clements supports, and have become adults alongside each other.

[CONTINUE ▶](#)

Dominic contends that those who view these kinds of social enterprises with a segregation lens are discounting the friendships between people with intellectual disabilities, and the empowerment to be gained from working in a supportive environment. The spectre of the sector's past with sheltered workshop programming may have resulted in an overcompensation when it comes to wishing to avoid the negative and complete segregation experiences of those earlier practices.



Looking ahead, and challenges

As the capacity to take on more staff grows, Mindful Mouthful prioritizes the employment of all workers with diverse abilities who are interested in participating, mainly due to the low employment opportunities in the community. The employees flow directly from Clements Centre's other programs. This includes referrals from their own supported employment services, which recommends people who are not a fit for competitive employment.

A stretch goal is to begin to serve as an employment creator for all people, which would enhance social integration possibilities within the kitchen.

The challenges that Mindful Mouthful currently faces are mostly themed around rising costs. Given ongoing increases to minimum wage in BC, the true cost to pay the baking crew minimum wage now surpasses \$20 hourly per person, when Mandatory Employment Related Costs (or MERCs) are factored in. The kitchen manager and cook, who both provide training and guidance to the baking crew, are paid more.

Increases in food costs are meteoric. Sure, they could source chocolate at half of the price, or switch from butter to margarine, but the leadership is determined to maintain the high-quality standards that keep everyone coming back for their products.

The venture offers a product that competes in the marketplace on quality: the 'social' aspect of social enterprise is not enough, on its own, to sustain and build a customer base. The quality of the cookies and meat pies is 'off the charts'. The product is professionally labeled and packaged. When retailers purchase the products, they are not making a charitable donation.

[CONTINUE ▶](#)

Investment is imperative for expansion. A capital donation drive has yielded a new double oven, which will enable the bakery to supply new vendors from their ever-growing waiting list. The next step to scale-up is a walk-in freezer. They are also contemplating the addition of a machine called a 'cookie depositor', which can produce 2,000 cookies hourly. The tension here involves change management, and whether the shift from 'handmade' in favour of efficiency will negatively impact the worker experience, and customer perception of the product.

If they had to do it all over again, Zoe notes that they would have invested in the double oven sooner. It's the 'chicken and egg' phenomenon of waiting to generate more revenues in order to purchase equipment that would increase efficiencies (and profits).

With the assistance of Scale Collaborative, Mindful Mouthful is getting more granular in its costing, and will likely embrace full-cost accounting. This is the practice of counting all costs of the business in its financial reporting, including some elements that Clements as the parent agency funds: like bookkeeping, janitorial supports, utilities, and management. The result is a full picture of what it takes to operate the social enterprise, which will better equip them to frame a business case for grants and donations to support the venture's social costs. Without full cost accounting, social enterprises show a 'false positive' result in their bottom line.

The social costs of employment and training enterprises

While typical bakery expenses such as food costs approximate those of a similarly-sized bakery making the same quality of product, Mindful Mouthful differs in its employment-to-productivity ratio. This renders profit generation challenging. This is typical of multiple bottom-line enterprises: where making impacts, by virtue of the costs associated with this work, cannibalizes profit generation.

The ability to confidently articulate the social impacts of the enterprise to funders, their Board, and other stakeholders would alleviate the pressure that the leadership experience to 'make a profit' while also training and employing people in a supportive way. Currently, Mindful Mouthful nears breakeven, with the support of grants that include investment in bakery infrastructure.

The next social enterprise, and advice to those considering social enterprise

With Mindful Mouthful humming along, Clements is now fostering another social enterprise: Mindful Home & Garden. This venture connects folks from its supported independent living program who may not be suited to the shift work of the bakery, but have capability and interest in 'doing'. As is the case with Mindful Mouthful, the workers of Mindful Home & Garden are employees of Clements Centre, are paid minimum wage, and are covered under WorkSafe BC. These employees are supported by staff to mow lawns, weed gardens, and prune hedges and trees in the Duncan area.

[CONTINUE ▶](#)

Originally known as Mindful Mowing in its testing phase, the nascent enterprise has demonstrated plenty of demand for the services. Now, armed with their lesson learned from the delayed purchase of the double oven in the bakery, the leadership plans to confidently invest in the business, absorbing upfront costs like liability insurance and equipment, as would any start-up providing these services.

Offering advice to agencies new to social enterprise, Zoe stresses the importance of market research, and reminds us of our tendency to have a rosier picture of the situation than what deeper exploration may bear out. She adds that it's challenging to navigate the realities and complexities involved in making great ideas financially viable.

Why the prefix 'Mindful' in the name of each venture? To the Clements community, it's a reminder for customers to be conscious of the social nature of the enterprises; to 'support local'; and to recognize the high quality of the offerings. It's also a call to all employers to intentionally incorporate inclusive hiring practices within their own businesses.



BC Centre for Employment Excellence (2022) [*BC Work Integrated Social Enterprises \[WISE\] Project Final Report*](#).

BC Expert Panel on Basic Income (2020) [*Covering All the Basics: Reforms for a more just society*](#).

Blank, S. (2013) [*Why the Lean Start-Up Changes Everything*](#), Harvard Business Review.

Braun, I. (2020) [*Transitions of small business to non-profit and community ownership: a literature review*](#), Scale Collaborative et al.

Bridge, R. and Corriveau, S. (2009) [*Legislative Innovations and Social Enterprise: Structural Lessons for Canada*](#), BC Centre for Social Enterprise.

Brouard, F. (2020) [*Note on Nonprofits and Charities Taxation*](#), Sprott School of Business, Carleton University.

Buy Social Canada (2024) [*Guide to Social Enterprise: Plan, sustain and grow your impact with a social enterprise business plan*](#).

Canada's National Advisory Board to the Social Impact Investment Taskforce (2014) [*Mobilizing Private Capital for Public Good: Priorities for Canada*](#), MaRS Centre for Impact Investing.

Canada Revenue Agency (2017) [*Community economic development \[CED\] activities and charitable registration*](#). CRA guidance paper CG-014.

Canada Revenue Agency (2003) [*What is a related business?*](#) CRA policy statement CPS-019.

Canadian Association for Community Living (2011) [*Achieving social and economic inclusion: from segregation to 'employment first'*](#).

Cohen, M., Goldberg, M., Istvanffy, N. et al. (2008) [*Removing barriers to work: Flexible employment options for people with disabilities in BC*](#), Canadian Centre for Policy Alternatives.

Crandell, D. (2022) [*Twenty-Two Cents an Hour: Disability Rights and the Fight to End Subminimum Wages*](#), Cornell University Press.

Dawson, M. (2015) [*Critical Success Factors for Social Enterprises*](#), Sproutcast podcast summary.

Dean, A. (2013) [*Tackling Long-Term Unemployment Amongst Vulnerable Groups*](#). OECD Local Economic and Employment Development (LEED) Papers, 2013(11).

Donkervoort, M. (2015) [*Inner City Renovation: Rebuilding Properties, Lives and Communities*](#).

Elson, P., Hall, P., Leeson-Klym, S. et al. (2015) [*Social Enterprises in the Canadian West*](#), Canadian Journal of Nonprofit and Social Economy Research. Of particular interest is the grid named as 'Table 3: Summary statistics for 2014 social enterprise surveys'.

Emmett, B. (2019) [*Unfair or Unwanted? Competition between charities and for-profit businesses in Canada*](#). Imagine Canada.

Employment and Social Development Canada (ESDC) [*Employment Strategy for Canadians with Disabilities*](#) (2024-2025).

Fairholm Mader, K., Hachigian, H., Le Guen, E. (2024) [*Pathway to a Successful Business Purchase*](#). Royal Roads University and Scale Institute. Adapted version of the Business Buyers handbook by Venture Connect.

Faster Capital (updated 2024) [*Social Return on Investment: SROI: Measuring Social Value: A Guide for Entrepreneurs*](#).

CONTINUE ▶

Galer, Dustin (2014) [*'A Place to Work Like Any Other?' Sheltered Workshops in Canada, 1970-1985*](#), University of Toronto.

Golden, K., Hewitt, A., McBane, M. (2010) [*Social Entrepreneurship: Social Impact Metrics*](#), MaRS Discovery District.

Hall, P., Elson, P., Wamucii, P. (2014) [*2014 British Columbia Social Enterprise Sector Survey Report*](#), Mount Royal University and Simon Fraser University.

Hall, P., Elson, P., Wamucii, P. (2016) [*2016 Canadian National Social Enterprise Sector Survey Report*](#), Mount Royal University and Simon Fraser University.

Hurley, Kevin (2016) [*From Social Enterprise to Social Franchise: An introductory guide to achieving scale through replication*](#), Centre for Social Innovation.

Inclusion Canada [*Position on Work and Jobs*](#) (accessed online, May 2026).

Institute for Research and Development on Inclusion and Society, aka IRIS (2021) [*Help Wanted – Ending Sheltered Work in Canada: Transitioning to inclusive employment for people with intellectual and developmental disabilities*](#).

Johannisson, B. (2018) [*Disclosing everyday practices constituting social entrepreneuring – a case of necessity effectuation*](#), Entrepreneurship & Regional Development, 30(3-4), pp. 390-406.

Just Like Family Collaborative (2024) [*Win Win Capitalism: How social acquisitions will change the face of business*](#).

Katz, E. (2014) [*Social enterprise businesses: A strategy for creating good jobs for people with disabilities*](#). Journal of Vocational Rehabilitation, 40(2), pp. 137-142.

Krupa, T., Mccourty, K., Bonner, D., Von Briesen, B., and Scott, R. (1999) [*Voices, Opportunities & Choices Employment Club: Transforming Sheltered Workshops Using an Affirmative Business Approach*](#). Canadian Journal of Community Mental Health, 18(2), pp. 87-98. This group now operates as [*Jobwell*](#), a cluster of six social enterprises in Kingston, Ontario; which is operationally supported by Providence Care.

Larre, T. (2016) [*Allowing Charities to 'Do More Good' through Carrying on Unrelated Business*](#). University of Saskatchewan College of Law. Canadian Journal of Nonprofit and Social Economy Research: volume 7, number 1.

Liburd, J., Dooling, A., and Taylor, M. (2008) [*Doing Well While Doing Good: How to launch a successful social purpose enterprise*](#), Toronto Enterprise Fund.

Lysaght, R., Krupa, T., and Bouchard, M. (2018) [*The Role of Social Enterprise in Creating Work Options for People With Intellectual and Developmental Disabilities*](#). Journal on Developmental Disabilities: volume 23, number 3.

Manwaring, S., and Valentine, M. (2011) [*Social Enterprise in Canada: Structural Options*](#), Social Innovation Generation @MaRS.

Markey, S., Corriveau, S., Cody, M., and Bonfield, B. (2011) [*Social Enterprise Legal Structure: Options and Prospects for a 'Made in Canada' Solution*](#), Simon Fraser University.

CONTINUE ▶

Martin, B., Walsh, L., Keating, A., and Geiger, S. (2024) [*The Demise of a Rising Social Enterprise for Persons With Disabilities: The Ethics and the Uncertainty of Pure Effectual Logic When Scaling Up*](#). *Journal of Business Ethics*, volume 191, pp. 107-130.

Meltzer, A., Kayess, R., and Bates, S. (2018) [*Perspectives of people with intellectual disability about open, sheltered and social enterprise employment: implications for expanding employment choice through social enterprises*](#). *Social Enterprise Journal* [Australia], volume 14, number 2.

O'Hara, P., O'Shaughnessy, M., Defourny, J., Nyssens, M., and Defourny, J. (2021) [*Social Enterprise in Ireland: State Support Key to the Predominance of Work-Integration Social Enterprise \(WISE\)*](#). *Social Enterprise in Western Europe* (1st ed., pp. 112-130).

Organization for Economic Co-operation and Development (OECD) (2022) [*Disability, Work and Inclusion: Mainstreaming in All Policies and Practices*](#).

Osterwalder, A., and Pigneur, Y. (2010) [*Business Model Generation*](#), John Wiley & Sons, Inc.

Prime, J. (2020) [*Work With Purpose: Fifty years of supported employment and training in the Annapolis Valley*](#), The Flower Cart Group.

Raso, K. (2018) [*Disability and the job churn*](#), Canadian Centre for Policy Alternatives.

Ries, E. (2011) [*The Lean Startup: How constant innovation creates radically successful businesses*](#), Crown Business Press.

Savall Morera, T., Guzmán, C., and Santos, F. J. (2022) [*Measuring the impact of sheltered workshops through the SROI: A case analysis in southern Spain*](#), *Annals of Public and Cooperative Economics*, 93(2), pp. 381-415. In the Spanish context, 'sheltered workshops' are akin to WISEs.

Sayer, N., and Williams, B. (2012) [*Lean for Dummies*](#), John Wiley & Sons, Inc.

Seedco Policy Centre (2007) [*The Limits of Social Enterprise: a field study and case analysis*](#).

Seelos, C., and Mair, J. (2017) [*Innovation and Scaling for Impact: How Effective Social Enterprises Do It*](#), Stanford University Press.

Shahidi, F.V., Jetha, A., Kristman, V., et al. (2023) [*The Employment Quality of Persons with Disabilities: Findings from a National Survey*](#). *Journal of Occupational Rehabilitation* [Canada], volume 33, pp. 785-795.

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

Social Capital Partners (2009) fact sheet [*The five critical factors of social enterprise profitability*](#).

Spagnuolo, N., and Earle, K. (2017) [*Freeing our people: Updates from the long road to deinstitutionalization*](#), Canadian Centre for Policy Alternatives.

Special thanks to Dan Collins, whose lifetime of experience, deep knowledge, contextual awareness, rich relationships, and persistent sense of humour have buttressed this project.

The 2024-2026 Venturing Forth project (Symposium + this document) was spearheaded by the [BC Employment Network](#), with funding from [Inclusion BC](#).

This document was greatly enriched by the thoughtful feedback and deeply engaged participation of early readers, who are among the leaders of British Columbia's Community Living sector. They include Janice Barr, Matt Dirks, Leni Goggins, Dominic Rockall, and Mark Zuberbuhler. We had a 'good think' together, particularly on the sections concerning WISE best practices, remuneration of workers, and the comparison of work engagement types.

Some of these folks invited us to profile their agencies' own WISEs, and were so open in sharing specific challenges, triumphs, and food for thought. Thanks to Zoe Dalton, Dominic Rockall, and Mark Zuberbuhler in this regard. It was a pleasure to co-create the longer profile on Little Sprout, with Matt Dirks.

Guest columnists Anne Jamieson, Leni Goggins, and Lilla Tipton gave freely of their time and expertise, in crafting sections of specific interest to the sector, and WISE development. Leni also contributed her thoughts on WISEs competing with the traditional business sector.

Thanks to all participants of the (BC) Social Enterprise in Community Living Symposium which was held in Surrey BC in February 2024; and to those who completed the online social enterprise surveys that were launched at that event. A shout-out to Ariel Dennison-Hardy, who skillfully set up the surveys in MailChimp.

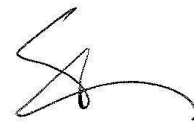
[Community Living British Columbia \(CLBC\)](#) funded the Symposium.

Anne Jamieson travelled from Toronto, to serve as the Symposium's stellar keynote speaker: her brilliant framework on WISE social costing serves as a contextual through-line within this document. Anne also generously provided advice, to better shape this publication's overall framework.

The layout of Venturing Forth was designed by [Roam Media](#). Special thanks to Ian Adams for his patience with our ever-expanding timeline. And page count!

With gratitude,

BC CENTRE FOR SOCIAL ENTERPRISE



Stacey Corriveau, EXECUTIVE DIRECTOR



All hyperlinks contained within this document were live as of May 2026.

Stacey Corriveau is the current and founding Executive Director of the [BC Centre for Social Enterprise](#): a virtual organization that has been supporting community-based social enterprises across Canada for over two decades.

The Centre offers resources and guidance for social enterprises, with a special focus on how they can be optimally structured in the Canadian context.

Stacey's background includes small business counselling, bookkeeping and accounting, technical writing, community economic development (CED), and sustainable community development — all of which support her passion for helping communities thrive, using social enterprise as one approach.

She is proud to have served as project lead and primary author of the 2011 Venturing Forth publication, which, like this one, was sponsored by the [BC Employment Network](#).

Stacey can be reached at stacey@centreforsocialenterprise.com

