



St. Leonard's Society of Canada
Société St-Léonard du Canada

Social Enterprise and Labour Market Integration for Individuals Exiting the Criminal Justice System: A Synthesis of Pilot Project Evaluations

prepared by

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Social Enterprise and Labour Market Integration for Individuals Exiting the Criminal Justice System: A Synthesis of Pilot Project Evaluations

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Introduction

St. Leonard's Society of Canada (SLSC) is a membership-based, charitable organization dedicated to community safety since 1967.¹ Its mission is to promote a humane and informed justice policy and responsible leadership to foster safe communities. We endorse evidence-based approaches to criminal and social justice, conduct research and develop policy, support our member affiliates, and advance collaborative relationships and communication among individuals and organizations dedicated to social justice. Our membership of twelve direct service agencies across Canada provides residential and day programs to more than 10,000 youth and adults annually.

SLSC is pleased to present the *Social Enterprise and Labour Market Integration for Individuals Exiting the Criminal Justice System: A Synthesis of Pilot Project Evaluations* report. The objective of this report is to develop a synthesis of the findings of the 2013-14 evaluations of the five Federal Horizontal Pilot Projects (FHPPs) funded under the Homelessness Partnering Strategy (HPS) of Employment and Social Development Canada (ESDC).

On April 1, 2007, the Government of Canada introduced the HPS—a strategy aimed at preventing and reducing homelessness in Canada. Recognizing that homelessness is a shared responsibility, the HPS works to enhance partnerships with provincial and territorial governments and a wide range of community stakeholders to find longer-term solutions to homelessness, strengthen community capacity and build sustainability.

Through work with other federal departments and agencies, the HPS explores innovative ways to prevent and reduce homelessness. The five FHPPs mentioned in this report were developed in partnership with ESDC (under the HPS), Correctional Services Canada (CSC) and Public Safety Canada. These projects aimed to explore how social enterprises can contribute to labour market integration for individuals exiting the criminal justice system who are homeless or at risk of homelessness.

For the purposes of this project, social enterprises are defined as businesses owned by non-profit organizations, that are directly involved in the production and/or selling of goods and services for the blended purpose of generating income and achieving social, cultural, and/or environmental aims. Social enterprises are one more tool for non-profits to use to meet their mission to contribute to healthy communities.² This definition, from the Social Enterprise Council of Canada, supports the way in which SLSC has observed social enterprise throughout the course of this research. It maintains a focus on the key components of target populations and mission, and reflects a national organization that has undertaken efforts to support the growth of social enterprises in Canada.

The synthesis leverages collective knowledge on promising practices on social enterprise, especially in terms of sustainability and effectiveness, and aims to serve as a reference guide to support the creation of social enterprises to prevent and reduce homelessness.

The report consists of the following components:

- A **synthesis of five FHPP Evaluations** that addresses: key successes/challenges; lessons learned; strategies employed; and future directions;
- A **summary of available literature** that focuses on: impacts, outcomes, sustainability challenges, and risks in relation to social enterprise and how different sub-populations i.e. mental health, criminal justice, and homelessness intersect with these topics;
- A **comparative analysis** of how the five FHPP organizations' experiences relate to the literature findings; and,
- **Concluding thoughts** to support policy development and knowledge dissemination activities related to social enterprise.

¹ Registration #12894 6829 RR0001. Online: www.stleonards.ca. SLSC is not a religious organization.

² Social Enterprise Council of Canada. (2014). Retrieved October 17, 2014 from: <http://www.socialenterprisecanada.ca/en/learn/nav/whatisasocialenterprise.html>.

SLSC has utilized this format to address the issues that are of interest to ESDC, and to provide useful information to the FHPP organizations in the form of a comprehensive analysis of employment program activities. In particular, it builds on the November 2013 *Social Enterprises: Sharing Promising Practices and Challenges Forum* co-hosted by ESDC and CSC's Women Offender Sector which sought to share learnings from the funded pilot projects.

Overview of FHPP Organizations

The following overview summarizes the employment program funded for each FHPP, and the objectives of the evaluations as stated therein. For detailed information on the program/business structures, please refer to the individual FHPP evaluations.³

Rideau Social Enterprises: Ottawa, ON

The Rideau Social Enterprises (RSE) program is designed to assist former prisoners successfully secure and sustain meaningful employment outcomes after release. The program provides participants with multiple supports to achieve employment success, including job training, employment placement, coaching for job acquisition and maintenance, and the coordination of housing and other support services such as addiction and mental health counselling.

RSE is operated by The John Howard Society of Ottawa, and was designed to provide employment services through revenue generated by the occupational activities of the social enterprise participants. A goal of RSE was to develop training and employment opportunities which provided participants job experiences that offer meaningful services to marginalized groups in the community. Two primary employment streams were created during the evaluation period: bed bug removal services and asbestos abatement. By targeting services in these sectors, RSE's efforts were consistent with their mission.

Objective of Evaluation: To assess the success of the RSE program in its first year of operation. The evaluation reviews and describes the activities of the program, documents the degree of participation by offenders, tabulates outcomes relevant to training and employment, and solicits the views of participants regarding the helpfulness of the program to their reintegration.

Asphalt Gals Social Enterprise: Vancouver, BC

Asphalt Gals is an asphalt shingle recovery social enterprise created by The Elizabeth Fry Society of Greater Vancouver (EFry). The purpose of Asphalt Gals is to create suitable employment for women leaving the corrections system, while providing a source of revenue for the organization. The social enterprise seeks to provide a value-added service to roofing contractors by attending re-roofing job sites, sorting waste materials and assisting with clean up, and delivering refuse to the recycler. The roofer is charged a fee for this service.

The goals of the program included: developing a social enterprise; helping women succeed; promoting environmental sustainability; and, offering needed services to the roofing trade. Asphalt Gals is seen as a unique opportunity to support the mandate of EFry by offering a valuable service and ensuring the organization can continue operating the full spectrum of its programs and services in light of uncertain funding opportunities and growing costs. It seeks to address a number of issues and concerns of EFry for its clients, the organization, and the broader community.

Objective of Evaluation: To conduct a preliminary external evaluation of Asphalt Gal's first nine months of operation. The evaluation is instructive as a 'trial run' to test the indicators and to inform the activities of Asphalt Gals going forward. It is intended to serve as a baseline for future evaluations.

The Culinary Academy Apprenticeship Training Program: Brampton, ON

The Culinary Apprenticeship Training Program was designed by St. Leonard's Place Peel's (SLPP) License to Cook social enterprise. The program provides residents of SLPP pre-apprentice and apprentice employment support

³ Distribution of FHPP evaluations will be done at the discretion of the service providers for whom the evaluation was prepared.

training for an Assistant Cook, or Cook Apprentice position. The scope of the project sought to provide support to up to 15 participants to improve their economic security, recidivism rate, and housing outcomes.

The apprenticeship training program was designed to provide support to the community by creating opportunities for increased economic security of ex-prisoners through the training. In addition to this, the program was implemented to exhibit and provide employment support to people who have experienced stigma due to a lack of employment history, discrimination, and lack of employability skills.

Objective of Evaluation: Use various evaluation tools to measure and determine the goals and results expected of the Culinary Academy program. Tools included: in-house meeting data, one-on-one assessment and intervention management; 'strengths based approach' data collection; asset mapping skill building data; and practical evaluation of apprenticeships.

Stella's Circle Employment Transition Pilot Project: St. John's, NL

The core business of Stella's Circle is the development and delivery of programs and services for people with complex needs (e.g. living in poverty, experiencing homelessness), with a particular focus on those experiencing mental illness. A core group of participants included women in conflict with the law. Given the challenges experienced in transitions to training, apprenticeship, or the labour market from the programs offered, Stella's Circle made an Employment Transition Specialist (ETS) available to provide direct support service to pre-apprenticeship program participants.

The project sought to have the ETS help participants understand their rights and obligations, anticipate and plan for transition periods where income might fluctuate, and understand the systems they are working with. The ETS advocates for participants and the goal was to ensure that they made successful transitions to employment and that their housing and income were secure through this phase.

Objective of Evaluation: To assess the extent to which this one year pilot project helped pre-apprenticeship program participants transitioning into training, apprenticeship, or the labour market to successfully navigate federal, provincial, and municipal systems in order to maintain income and housing.

KLINK Coffee Social Enterprise: Toronto, ON

The KLINK Coffee social enterprise operates within the broader mission of St. Leonard's Society of Toronto (SLST), with goals to: reduce barriers to employment for SLST clients by providing training combined with employment opportunities; to increase SLST's contribution to positive community responses in support of safe, structured and successful reintegration of ex-prisoners; and, to develop and operate a profitable social enterprise through the production of the KLINK brand of coffee.

The overall goal of the KLINK program is to move people through a four week training program that is oriented to their individualized needs as they strive towards gainful employment, thus encouraging desistance as they prepare for future employment – ultimately reducing homelessness.

Objective of Evaluation: To determine the effectiveness of the KLINK process in assisting clients with garnering long-term gainful employment or employment experience; but, more importantly, to develop skills required for successful reintegration that also encourages desistance and thereby, in effect, reduces the possibility of homelessness.

Limitations

While this report explores avenues to support social enterprises to prevent and reduce homelessness, it does so through the lens of criminal and social justice. The majority of the participants from the FHPPs are criminalized, which compounds issues related to homelessness. It is important to note that the findings on social enterprise contained within this report may be limited in their capacity to be extrapolated to various sub-populations outside of the criminal justice/community corrections context.

FHPP funding was intended to act as start-up funding for the five social enterprises. This resulted in a shorter timeframe for which evaluations could be conducted. Given this shorter timeframe and the fluctuation in

participants' progress throughout this time, SLSC is limited in the capacity to report on participants' trajectories and outcomes as a direct result of social enterprises. In a similar vein, the absence of a control group within any of the five projects also affects this measurement.

Finally, the scope and objectives of each of the five FHPP final evaluations differ substantially from one another. This is not to take away from the value of any one evaluation; rather, each evaluation has approached its social enterprise subject or employment project in a unique way and set the measurable targets based on their specific needs. However; this presents a difficulty in synthesising set project variables measured across the pilots.

Keeping these limitations in mind, this report draws from relevant sections of the various evaluations to produce a comprehensive picture of social enterprise as it pertains to these five FHPPs. The lessons from each project provide valuable insight into the use of social enterprise within the broader program structure of community corrections and other related direct service providers.

Timeframes and Participants

As outlined in Table 1.1, the evaluation period for the five projects ranged from October 2011 to March 2014. A total of 154 participants were enrolled in the programs, though participation rates varied considerably for the extent of involvement and overall participant retention.

Table 1.1

ORGANIZATION	PROJECT TIMEFRAME	# OF PARTICIPANTS
RIDEAU SOCIAL ENTERPRISES	October 2011 – October 2012	53
ASPHALT GALS CULINARY ACADEMY APPRENTICESHIP	December 2011 – September 2012	14
STELLA'S CIRCLE ETS	October 2012 – October 2013	15
KLINK COFFEE	November 2012 – November 2013	48
	June 2013 – March 2014	24
	Total N =	154*

* Women N = 59; Men N = 95

Key Successes

Each of the five organizations succeeded in setting goals and objectives for their pilots based on the needs of the target populations. Each organization sought to improve access to options and opportunities for clients based on the need for more effective transitions from the complex social challenges they regularly face. Employment support was utilized as a tool that helped to address the challenges most commonly faced by those who are at risk of homelessness, reintegrating from prison, and/or whose health needs prevent them from seeking traditional employment opportunities. As reflected in the literature review, it is well established that marginalized populations in Canada are in need of employment supports.

Engagement

Engagement was the most common success addressed within the evaluations – either with broader support services offered by the organization or with the community. Through their involvement, participants were able to engage with mainstream society, engaged in positive recreational activities, gave back to the community in a meaningful way, created goodwill among community stakeholders, and complemented other organizational projects. For example, some of the interviews with stakeholders conducted for the Asphalt Gals evaluations indicated a willingness to recommend the program to others in order to help them to succeed. Some interviews with customers and participants also indicated that the program generated public awareness of the organization's cause, increased opportunities for education, and developed stronger social networks. Opportunities for social engagement facilitated by the program promoted learning, collaboration, leadership, and productivity.

Skill Building

Access to engagement opportunities facilitated skill building for the majority of participants. The responses of people who were polled on their participation reflect their belief that the program provided them with enhanced life skills and transferable job skills. Participants were able to learn the 'ins and outs' of the employment world and work towards becoming a contributing member of their community. As noted in the evaluation for Rideau Social Enterprises, the business streams chosen allow participants to contribute to their own rehabilitation by helping them to give back to the community in a meaningful way; exposure to people with multiple-needs in the community requires participants to navigate challenging interpersonal situations with their clients and demonstrate skills of understanding and empathy toward them. Additionally, their bed bug and asbestos specialities enhanced skill building through helping participants obtain certification such as Workplace Hazardous Material Information System (WHMIS), First Aid, Fall Protection, and CPR which can be carried forward into new employment opportunities. Other participant interviews indicated that participants believed they would be more employable based on the enhanced skills they obtained and the possession of a reference.

Complement Other Services

Participants benefitted from increased access to staff who could refer them to other programs and supports offered by the organization. This also facilitated access to meeting other needs such as obtaining ID cards and navigating social assistance; and, overall generated opportunities to build trust with participants and their confidence in the goals of the organization.

Key Challenges

Attrition of Participants

A consistent theme across the evaluations was the need for financial incentives for participants in order to reduce attrition from the program. This was most commonly related to motivation to participate and follow through with training/apprenticeship. While there are a variety of additional factors that affected the trajectory of criminalized populations through these programs, this was the most frequently suggested measure for increasing the likelihood of program completion.

Attrition from the programs was also determined to be affected by the complex needs of the participants, particularly in relation to mental health, lack of available work through the social enterprise, and complications related to provincial income support programs. These types of challenges created obstacles to participation, reducing motivation, and creating a disincentive to participate since the priority of the employment opportunity was lower in relation to other personal needs. More positively, attrition of some participants occurred because they were able to find employment elsewhere during the course of the program.

Negotiating Parole Obligations

The evaluations showed that some participants had difficulty balancing their parole obligations and conditions while also trying to attend training, complete apprenticeship hours, or show up at job sites. The level of difficulty may be related to the extent of the collaboration of the program with the parole office. It was also noted that despite success achieved in the program, parole conditions can create setbacks in achieving the goals of the pilot – for example a participant might do very well in the program, but if they breach a parole condition they may return to custody. The social enterprise by itself is not enough to allow the participant to meet his or her parole requirements.

In addition to parole obligations, the stigma of simply being on parole and having a criminal record was a significant barrier listed across all evaluations. It was reflected in baseline data collection that many participants stated that their criminal record was a major impediment to obtaining employment on their own, or resulted in only seeking low-paying jobs with little opportunity to gain access to meaningful and permanent employment.

Timeframe for Measuring Results

The five pilots had an average timeframe of approximately 11 months for evaluation that ranged from October 2011 to March 2014. This timeframe presented a significant challenge to obtaining accurate results and did not leave much, if any, room to reassess and implement changes. Additionally, the pilots were evaluated during start-up, arguably the most challenging time for any business which must implement, re-assess, and reform practice to improve and yield more desirable results. As such, the information contained in the evaluations may not accurately depict the current state of the pilots and their evolution since overcoming initial challenges.

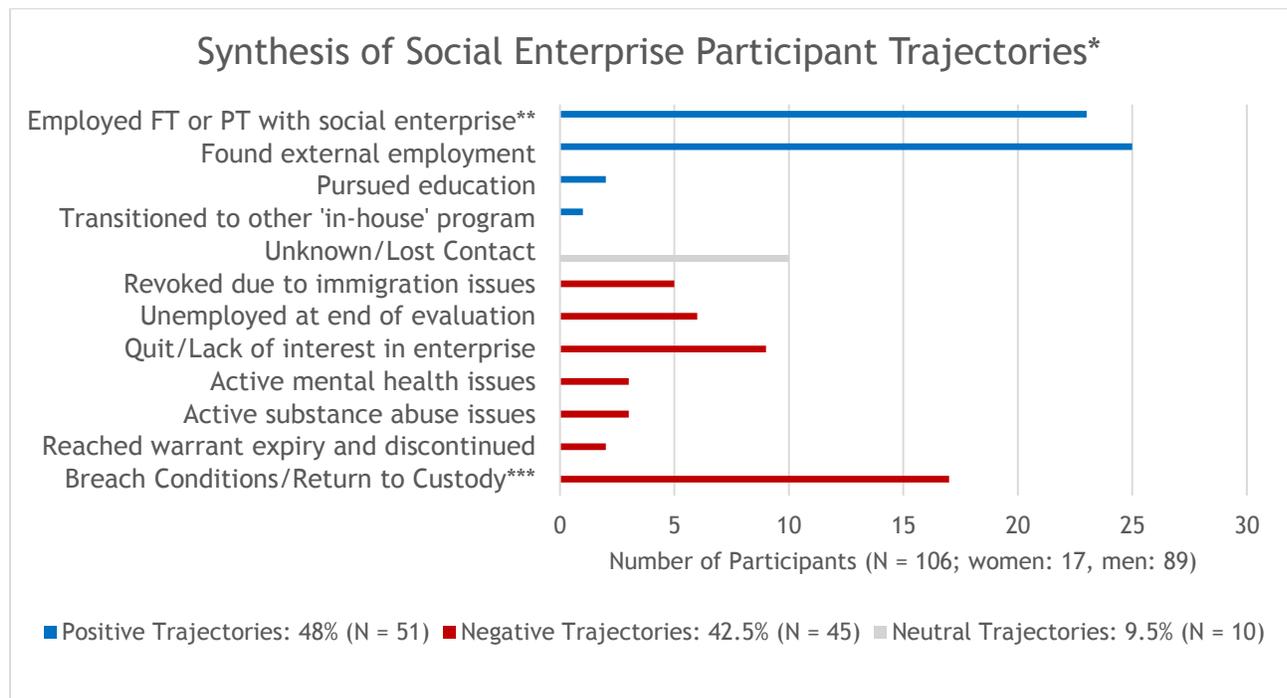
Tracking Outcomes

A total of 154 participants were recruited for involvement with the pilots. Of that cohort, there were 59 women and 95 men. However, participation varied in the extent of involvement and attrition across programs. Difficulty in tracking participants who left the program was noted across all evaluations, and reasons for attrition included returns to custody, disinterest in the program or job, active mental health and/or substance abuse issues, and immigration issues.

While these challenges are varied in nature, a common factor is that they can instantly incapacitate the ability to contact participants, and can prevent follow up or the administration of exit interviews. As a result, only limited information on participant outcomes were listed, without the ability to obtain information on how the pilot may have impacted those outcomes.

Table 1.2 utilized information contained within the four FHPP evaluations related to social enterprise to aggregate data related to attrition and participant outcomes. While the methodology for tracking participants varied greatly across all five evaluations, it was possible to aggregate several indicators.

Table 1.2



* Since Stella's Circle evaluated the pilot ETS position, the data for its 48 participants was not aggregated for this table since it did not evaluate a specific social enterprise program. However, its review of participant data revealed that 40% of participants remained attached to the labour force. This figure is consistent with the findings shown in the above table.

** This category includes individuals who were still progressing through their training program at the end of the evaluation period, therefore their outcomes as a result of participation are uncertain.

*** None of the evaluations stated that a breach of condition/return to custody was the result of re-offending.

Sustainability

As with any business, starting a social enterprise is difficult and requires significant financial and human resources. The evaluations all highlighted the importance of external funding, and as can be expected given the evaluation period and timeframe, none were self-sustaining at the end of that period. While some of the initial expenditures were related to start-up costs, it was noted often that the gap between business revenues and expenses was significant. Evaluations indicated that both human and financial resources were invested beyond the FHPP funding to support program delivery and sustainability.

The evaluations highlighted the significance of considering the many costs associated with starting up and maintaining a social enterprise. These included insurance (e.g. liability), participant wages, capital costs such as tools and equipment, and administrative/support costs. Depending on the type of work, there may also be additional costs of meeting the needs of the participants such as providing food, appropriate clothing, and regular safety meetings. While the social enterprise may generate some income from the activities in which participants are engaged or through product sales, it was noted that the enterprises must remain competitive and cannot charge their customers the necessary mark-up to pay for all the program costs.

Income Support

One evaluation focused a significant amount of attention on income support issues; for example, those related to overpayments, claw-backs, and navigating the social assistance system. These issues have been included as areas that warrant further consideration given the target population focused on by all of the FHPPs. It was highlighted by staff that for many participants, delays in receiving support when moving housing locations, or exiting a program and re-applying for support were common challenges.

Challenges related to income support were compounded when changes to government policies and procedures disrupted the flow of information between participants and/or staff who had established relationships with front line government personnel. It was suggested that efforts to strengthen these relationships may contribute to increased understanding of the housing, income, and benefit challenges faced by participants.

The Stella's Circle evaluation summarizes challenges related to income support as follows:

Many and varied challenges impede participants' capacity to transition from Income Support to employment...these challenges emanate not only from participants' individual circumstances...but also in large part to the numerous complex service systems which they have to maneuver as they transition. It was acknowledged by some informants that one or more of these challenges can result in participants being less open to new experiences because of fear of financial insecurity and/or housing instability/homelessness (p.28).

The evaluation suggested that the position of an Employment Transition Specialist was critical in assisting participants with navigating the challenges that intersected with income support and employment programs.

Summary

All of the evaluations highlighted challenges experienced by service providers in reaching their objectives for participants. The 'negative trajectories' shown in Table 1.2 demonstrate the variety of reasons for attrition, and suggest areas of support that could be addressed as part of the social enterprise design. However, the varied reasons also highlight the complexity of challenges that ultimately come down to individual participants – only 3 of the 7 negative trajectories affected more than 5 people. The clearest indicator is the need to enhance supports related to the risk factors associated with parole obligations of participants. It is worth noting that while approximately half of the participants had positive outcomes at the end of the evaluation period, many evaluations indicated that people worked on and off with the program given the challenges they face – demonstrating that the trajectory towards employment is not linear.

Strategies Employed

The FHPP evaluations highlighted a number of strategies employed by the pilot projects to facilitate action towards achieving goals. For the purposes of this synthesis, the following themes were found to be consistent across the evaluations: recruiting/referrals, training, marketing, management, housing, and follow up. This section provides an overview of the approaches described within the evaluations to address these core themes.

Recruiting/Referrals

There was no consistent method utilized by the pilots for recruiting participants. Recruitment was predominantly done through referrals from local employment services, other Non-Governmental Organizations, Correctional Service of Canada (including parole officers), or other 'in-house' staff/caseworkers. Most required participants to exhibit a willingness to participate in the program, including unpaid portions of the placements; and, to meet criteria such as being on parole and having flexibility to attend training. None of the evaluations indicated any difficulty with recruiting participants.

In some cases, participants were required to provide consent to share information with others, including potential employers, and state their preference for how that information was shared. Given this, staff were diligent about protecting the confidentiality of case histories and discussing with participants their choice to disclose information to employers. This encouraged transparency so that participants' histories would not impede employment opportunities with employers once a placement had started.

Training

The pilot projects that operated social enterprises undertook training for all participants in their respective industries. The length of training and style varied according to the type of enterprise; however, most began with a basic training program followed by job placement. Basic training could be provided in the specifics of the enterprise, followed by internal job placements that provided sufficient experience to market a participant's skills outside of the program. In this way, participants had the capacity to earn a living through employment while (in some cases) they prepared to enter into the larger labour market. Additionally, some pilots were able to procure opportunities to train for certification (i.e. safety) through ministries/universities and testing at colleges before obtaining formal certification. Interestingly, one site had staff trained in the social enterprise industry so that they could supervise participants on the job site while they worked towards becoming eligible for more advanced roles within the business.

One evaluation noted some success in providing long-term, hands-on training to mimic a realistic work environment. Recruits to the program were asked to submit résumés and conduct interviews as part of the application process. Workshops were held on résumé writing and interview skills, or opportunities were sought for participants to have one-on-one counselling at employment services in the community. One pilot hired an expert in service delivery to provide training and employment coordination for the enterprise – including signing off on hours for apprentices. Another evaluation noted that training and certification was provided to participants, and after completion participants were contracted out to local companies for the actual work experience. Doing so created the opportunity for the local company to recruit participants afterwards as employees for permanent positions.

Exposure to the community as part of the training was also a consistent theme in the evaluations. Whether through catering community events, working with homeowners/tenants, or using public transportation to get to placement sites, each pilot had training components that facilitated increased opportunities for community integration.

Marketing

Approaches for marketing the pilots both to potential participants and employers/clients were highlighted in some of the evaluations. Approaches targeting potential participants included activities such as holding

learning sessions to promote and advertise the program, and working closely with CSC and other stakeholders in the community to provide materials and information to recruits.

In regard to marketing for potential employers, one evaluation highlighted the necessary caution to avoid competition in the local market with other businesses since it was presumed that participants would eventually seek permanent employment with these businesses. While the pilot sought some work independently as a method for sustaining employment and training opportunities, a long term goal was not to seek growth and sustainability through competition.

There was also an aspect of marketing which related to the marketing of participants for permanent employment to potential employers, rather than simply marketing a product or service alone. Some evaluations noted the importance of advocacy for securing external employment to the larger labour force as a key focus area by pilot staff. One pilot site participated in job fair events to increase opportunities for participants to find employment.

Management

Each evaluation highlighted the leadership needs of the pilots. They stressed the importance that leaders be competent in both the business skills (such as human resources, legal, and financial) and the social service skills (such as complex client needs, mission driven, and programs) needed when starting a social enterprise. Given that the evaluations were based on a preliminary analysis of the pilots, it is likely that each organization has undergone significant shifts in management styles based on lessons learned during their start-up phase. Being mindful of this, the common themes around management involved a focus on the support needs of participants, and community relations.

Support needs of participants that were most commonly referred to were flexibility in scheduling to accommodate obligations such as parole or mandatory counselling, until the participant could negotiate conditions more conducive to regular employment. Staff coordinated with parole officers to support participants' attempts to comply with their legal commitments. In addition to an employment opportunity, access to support services from staff who understand complex needs was seen as a critical element of program design, particularly for housing, addictions, mental health, and transportation.

The evaluations clearly outline the need for a good understanding of the industry or business sector on behalf of the organizations' leaders to reduce a significant learning curve. This was supported by an advisory board with business expertise that can help to challenge 'non-profit thinking'. Additionally, it was noted that starting a social enterprise requires the full attention of management, since at the outset there are various legal issues including protecting the non-profit from potential liability arising from the social enterprise which need to be addressed. In addition to the advisory board, it was also recommended that an external finance officer be hired. At times, management oversaw enrollment in workers' compensation, obtaining general insurance, obtaining a Revenue Canada employer number, completing business plans, and conducting legal reviews.

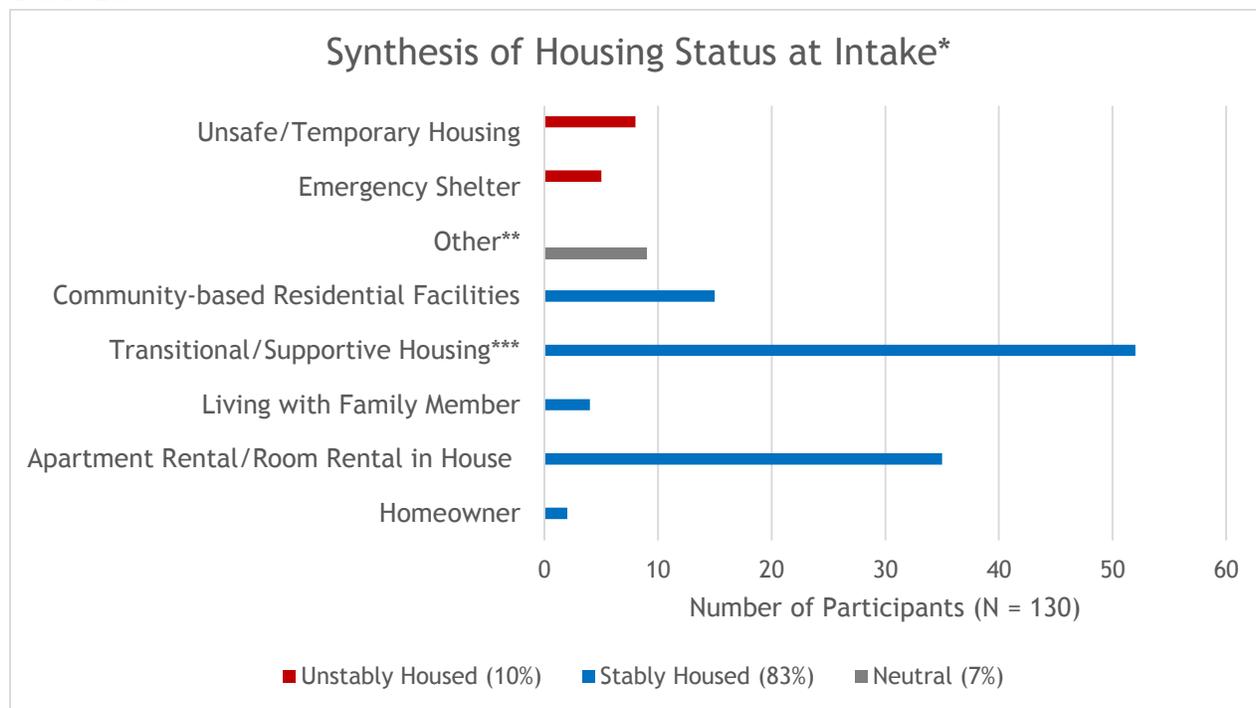
The evaluations often described relationships built with community stakeholders who were involved with similar businesses, as well as those who serve similar populations. For example, the Culinary Academy Apprenticeship program built on their relationships with CSC, parole officers, the Elizabeth Fry Society of Peel-Halton, as well with their local employment services. Other evaluations noted relationships were developed with public relations, social enterprise consultants, and employment services to assist with developing useful systems to help fine-tune staffing and management requirements.

Housing

Of particular interest was the housing status of participants, which varied significantly. At the time of the pilots, none of the participants were described as being homeless, though some had experienced homelessness in the past or were described as being at-risk of homelessness. Table 1.3 utilized information contained in the evaluations to aggregate data for 130 of the 154 participants (approx. 84%) whose housing status was collected at intake. While it would have been ideal to compare this intake data to participant housing status at the end of

the evaluation period, there was insufficient data collected to enable a comparison. Nonetheless, the findings reveal that the majority of participants (40%) were living in transitional/supportive housing at the time of intake to the employment program, followed by those who had rental accommodations in an apartment or house (27%).

Table 1.3



* Data was aggregated from 4 out of 5 FHPP evaluations that collected housing status at intake. In some cases, clarification on figures was offered by service providers, and those numbers were utilized for the final aggregation.

** 'Other' data (n=9): 5 were listed as 'other' without further explanation, 1 was listed as 'jail', and 3 were listed as housing programs but not marked as either stable/unstable.

***Also includes: residential treatment programs, and other housing programs that may be subsidized.

While there was insufficient data to aggregate housing status at the end of evaluation, two evaluations were able to provide a report on these figures. Of RSE's 53 participants, the following results were reported:

- 32 participants were living in some form of subsidized housing program, either through The John Howard Society of Ottawa or another community-based program.
- 10 participants were listed as having stable housing ('stable' was not defined).
- 6 participants returned to custody.
- 5 participants lost contact and their housing status was unknown at the end of the evaluation period.

The evaluation for Asphalt Gals reported on 5 out of 14 participants with the following results:

- 3 participants had rental accommodations in an apartment.
- 2 participants were living in a shelter.

While not conclusive for the overall cohort of participants, it is reasonable to conclude based on the available findings that the availability of stable housing – transitional, supportive, or otherwise – may increase the likelihood for participant retention in programs.

Tracking Participants

The capacity to follow up with participants presented a significant challenge for all evaluators; however, several strategies were employed that attempted to track the results of participants through the pilots. Most commonly a pre-post interview or questionnaire was set up for the pilots to provide a baseline of data at the onset of participation, to be followed by the same set of questions at the end of the evaluation period. There was also the use of ongoing asset mapping and intervention to ensure growth and progress in the program. Given the types of attrition that occurred, a post-evaluation proved to be very difficult for individuals who did not complete the program. The short timeframe of the evaluation period also did not allow the opportunity to seek out former participants or to complete follow up if they returned later to the organization. Agencies should be encouraged and given the resources to track participants in order to obtain robust research results. It is suggested that having the option to provide incentives to participants in exchange for completing exit interviews could improve the opportunity to collect key information related to the program.

Lessons Learned

Each of the five evaluations contained excellent lessons. For every challenge listed, there are lessons and suggestions on how to tackle each one. Once again, it is recommended that the individual evaluations be consulted for specific approaches taken by each organization; however, this section summarizes the key lessons.

Lessons on the **importance of boundaries** were made clear in the evaluations. One evaluation noted challenges with separating the social enterprise from the organization's employment program, suggesting that blurring the lines between the two can create complications for evaluation as well as liability. There is a need to differentiate the social enterprise as a separate entity beyond the non-profit, and to clearly delineate its boundaries. Additionally, the importance of having clearly delineated organizational and administrative structures for new projects in advance of project implementation was recommended, along with communication to all staff about how the project will fit into the structure of the organizational framework.

The evaluations indicated that programs must **support a skilled permanent staff** to train and supervise the employment operations. It was stressed in one evaluation that transparency is of the utmost importance among employers, participants, and program staff – particularly regarding criminal histories to avoid 'door slamming' from employers if specifics of the history are disclosed after training commences.

The majority of lessons learned were related to working with the participants and **identifying their needs in relation to employment support**. Many of these lessons focused on reintegration needs, and stressed the value of recognizing people's unique needs to help determine their readiness for employment support as failure in the program may negatively impact reintegration. Gainful employment is valuable, but must be balanced against the long term reintegration needs of the participants. It was noted that in addition to employment needs, caseworkers can support a range of skills needed by participants for reintegration that they may not have otherwise had access to.

Flexibility was also a recurring theme throughout the lessons learned, particularly around scheduling. Accommodating participants' schedules increased participation and retention if apprenticeship/training hours were able to be structured around other commitments such as parole or support meetings. Additionally, flexibility extended to compensation and one evaluation noted that pay periods were modified from bi-weekly to weekly to facilitate money management for participants.

One evaluation noted that as participants transition to paid employment, they can also experience changes in their rent subsidies which further impact their financial stability and thus their capacity to maintain housing. For example, those living in municipal or provincial housing may not know for several weeks after their employment begins what their maximum earnings can be before a subsidy is lost or decreased. This can make it difficult to know how much an individual should be budgeting for their rent – possibly causing financial

instability. It was suggested that integrating the role of a staff person, such as an Employment Transition Specialist, with employment counselling may be the most effective approach in supporting participants' transitions across systems.

In regard to challenges in attrition/tracking of participants from programs, it was revealed that participants have not had linear, progressive lives. Rather, participants' lives reflect a series of forwards and backwards steps resulting from a number of factors and staff must understand this reality and work within its context. Evaluations must also be able to capture this reality, starting with being able to observe outcomes over a longer period of time since it is difficult to predict the level of ongoing stability and move to self-sufficiency after only a few months of involvement with a program.

Future Directions

This section summarizes the future directions as stated within the evaluations for each pilot. This is followed by a summary of updates as reported by the service providers in response to the follow-up survey administered from October 2014 through January 2015.

Rideau Social Enterprises: Ottawa, ON

The evaluation stated the potential to expand areas of service to include moving and cleaning, demolition, framing, and construction. Beyond this additional directions for the future were not listed.

Update: RSE has expanded its services for asbestos abatement across Ontario. They now have sites operating in Kingston, Oshawa, Toronto, and Hamilton in addition to Ottawa.

Asphalt Gals Social Enterprise: Vancouver, BC

The evaluation for Asphalt Gals stated an aim to develop relationships with large roofing companies that service the condo/strata market. It was also noted that a potential shortage of roofers in the market may open up new opportunities. At the end of the evaluation period Asphalt Gals was working with roofing inspectors to get recycling added to their specifications, and the potential for a mandate to recycle asphalt shingles was anticipated.

Update: The Asphalt Gals social enterprise has paid back half of the money invested by the Elizabeth Fry Society of Greater Vancouver (EFry), and operates with only the money that it earns. It also pays EFry a monthly management fee. The program now works year-round with no breaks, and any changes that are made are related to the payment structure rather than the work.

The Culinary Academy Apprenticeship Training Program: Brampton, ON

The future directions for this pilot were described as aiming to expand apprenticeship aspects of the program to facilitate meaningful employment and skills development opportunities for former prisoners – especially for the growing number of people who are on statutory release with residency (SRR) conditions. The evaluation also noted a desire to pilot a 30 or 60 day work release program to allow completion of program training ahead of a participant's release from prison.

Update: The organization plans to adopt and tweak the evaluation tools as required, based on the population served. The curriculum for the enterprise has been enhanced to include more advanced instructional elements around menu terminology, pathogen/sanitation controls, and butchery skills.

Stella's Circle Employment Transition Pilot Project: St. John's, NL

At the end of the evaluation period, the progress made by some of the participants was listed as a positive indicator of the potential for achieving the longer term outcomes of reduced homelessness and increased sustainable employment for some of the target group over time; in particular, if the program is supported by required policy changes. The evaluation identified a need to facilitate discussion with front line government

providers and policy makers who are focused on facilitating effective and efficient service responses and systems, and to improve knowledge transfer to policy makers at all levels.

Update: The position of the Employment Transition Specialist (ETS) was not able to be continued as a distinct position as originally envisioned, delivered, and evaluated due to the funding for the pilot coming to an end. However, the recommendations which were able to be applied were done in the context of the incumbent assuming a new position as a staff employment counselor at the end of the FHPP. Within the available capacity of this new position, many of the recommendations related to systemic barriers were implemented. The exception is that a one-day forum to discuss opportunities for policy enhancement/change has not taken place.

Stella's Circle maintains a 'women-centric', holistic approach and continues to receive community-based referrals, however, due to constraints of their new alternative funding structure they do not necessarily pertain to transition issues. Per one of the recommendations, they have maintained a data collection system and ensure that collection tools are designed in advance of new projects. The organization continues to build relationships with government to encourage inter-departmental information exchange based on existing and emerging challenges which impact clients. While this is no longer able to be accomplished by the ETS, front-line and middle management staff have taken on this role at regional work centres.

KLINK Coffee Social Enterprise: Toronto, ON

The evaluation of KLINK highlighted the intention to move towards better understanding the direct capital needs of becoming economically sustainable. They also aimed to standardize the KLINK certification process, and improve it to ensure that placements maintain a focus for participants on valued skills rather than solely on labour intensive positions. The combination of steady placements and revising the roles of those who are involved with KLINK to best work with the needs of participants suggests a positive and focused future.

Update: The majority of the recommendations from the evaluation were implemented. The recommendation that a specific recruitment equation be utilized to determine client eligibility for the program was not; as it was determined that some clients did not fit this equation. The decision was made that clients would be recruited on a case by case assessment.

Since the end of the evaluation period, the pre-employment training has evolved and become more flexible based on the individual needs of the client. The training can now be completed in either a group or one-on-one setting. Additionally, a formal structure that promotes program integrity has been implemented.

Follow-up Survey Summary

SLSC conducted a follow-up survey that was administered online to each of the five FHPP organizations. All five participated, with either the Executive Director or Director/Manager of the employment program completing the survey. When asked about overall satisfaction with the evaluations provided to them for the FHPP, three respondents indicated that they were 'extremely satisfied', one reported being 'very satisfied', and one reported being 'satisfied'. The purpose of the follow up survey was to obtain information about the extent to which recommendations from the evaluation were implemented, as well as to offer the organizations an opportunity to explain how their program may have evolved since the conclusion of the evaluation period.

Four out of five evaluations contained recommendations for the programs. Of those four, two respondents indicated that they had implemented all recommendations, and the remaining two indicated they had implemented the majority of the recommendations.

Four out of five respondents provided additional comments on the general experience with their FHPP. The most common feedback provided related to the length of the evaluation/funding period. Respondents noted that increased length of evaluation would provide more insight into government investments, as well as assessments related to employment maintenance and the creation of more opportunities to assist more people. Respondents also noted that the pilots allowed them the opportunity to utilize the evaluations, and to observe

the benefits to clients as a result of the program. Some noted the hope to build on gains achieved through the pilot, and are aiming to achieve long-term sustainability.

Literature Overview

The focus of this review is to examine the impacts, outcomes, sustainability challenges, and risks associated with social enterprises and to examine how they intersect with homelessness, mental health, and the criminal justice system.

The traditional forms and structures of employment for former prisoners do not support equal opportunity to obtain employment.⁴ People exiting correctional facilities, those who are homeless, and those with mental health problems and illnesses are just some of the groups which face significant and persistent barriers to obtaining employment. These barriers include social stigma, fear, and a lack of confidence when entering the workforce. Stereotypes about these populations exist and often prevent people from acquiring employment, perpetuating rejection, and contributing to a lack of work experience.⁵

Former prisoners and marginalized people have most likely been disadvantaged most of their lives, so they already may lack education, experience, and the basic skills required when applying for employment positions. In addition, many of the people included in these groups lack the basic necessities such as shelter, food, transportation and hygiene.⁶ All of these are barriers to applying for and receiving a stable employment position. These, among other barriers such as addictions, unstable housing, and having a criminal record, restrict opportunities for employment which in turn, has a negative effect on other aspects of their lives.

Social enterprises present an opportunity to create a flexible and dynamic work environment that helps people overcome these barriers, as well as creating important positive individual and societal impacts.⁷ They can offer positive outcomes for organizations, communities, and society as a whole.

Definitions

Social Enterprise

A review of the literature suggests that there is no exact or universal definition for social enterprise.⁸ However, in order to understand social enterprise as a concept, it is critical to define it. Although there is some variation within definitions of social enterprise, a common element is that social enterprises use business-like activities in order to accomplish some sort of social, cultural, or environmental goal.⁹ For the purposes of this project, the following definition was used:

Social enterprises are businesses owned by non-profit organizations, that are directly involved in the production and/or selling of goods and services for the blended purpose of generating income and achieving social, cultural, and/or environmental aims. Social enterprises are one more tool for non-profits to use to meet their mission to contribute to healthy communities.¹⁰

⁴ Shahmash, S. (2010). *Social Enterprises: Creating Jobs and Community Wellness One Small Business at a Time*. ISIS Research Centre, Sauder School of Business, UBC. Canadian Centre for Community Renewal. Retrieved September 16, 2014 from: http://www.sauder.ubc.ca/Faculty/Research_Centres/ISIS/Resources/~/_media/6196C5D2961E4665BC3639F3266CF6A5.ashx.

⁵ Shahmash, S. (2010).

⁶ Shahmash, S. (2010).

⁷ Shahmash, S. (2010).

⁸ See for example: Hayhoe, R.B. & Valentine, A. (2013). Structural challenges for social enterprise in Canada. *Trusts & Trustees* 19(6), 519-525; Enterprising Non-Profits (2014). Retrieved October 17, 2014 from:

<http://www.socialenterprisecanada.ca/en/learn/nav/whatisasocialenterprise.html>.

⁹ Hayhoe, R.B. & Valentine, A. (2013).

¹⁰ Social Enterprise Council of Canada. (2014). Retrieved October 17, 2014 from:

<http://www.socialenterprisecanada.ca/en/learn/nav/whatisasocialenterprise.html>

This definition from the Social Enterprise Council of Canada (an initiative of Enterprising Non-Profits Canada) supports the way in which SLSC has observed social enterprise throughout the course of this research. It maintains a focus on the key components of target populations and mission, and reflects a national organization that has undertaken efforts to support the growth of social enterprises in Canada.

Target Population

Most of the literature reviewed describes the target population of social enterprises as those with multiple and persistent barriers to obtaining employment. However, most of the literature did not provide a definition of what comprises multiple and persistent barriers. Those that did included a variety of factors such as: poor social skills, physical and mental health issues, unstable housing, low self-confidence, adjusting to life outside of prison, racism/visible minority, gang involvement, lack of transportation to reach job sites, anxiety/depression, and lack of basic hygiene. Barriers do not exist in isolation and these individuals experience a number of barriers simultaneously.¹¹

Impacts

A review of the literature revealed many themes and similar results in the impacts that social enterprises produce. What is clear from this research is that social enterprises can have a positive impact on the people involved and in turn, on society. In order to demonstrate the variety of impacts that social enterprises can have, the following four categories are addressed: personal, health, financial, and social.

Personal Impacts

For those exiting a correctional facility, rebuilding one's self-identity can be an overwhelming task to do alone. Being employed through a social enterprise has been shown to impact individuals positively by allowing an opportunity to gain more self-confidence and develop a more positive perception of themselves. Through employment and the social support received, they are able to define themselves and their sense of self-worth.¹² Throughout this process, social enterprises can also help individuals build character, and increase their motivation and assertiveness.¹³ These impacts help to encourage individuals to believe in themselves and can reduce anxiety around aspects of community reintegration.¹⁴

Physical and Mental Health Impacts

Research indicates that being unemployed can have serious negative effects on an individual's mental and physical health.¹⁵ It has also found that improvements in physical and mental health occur when individuals become re-employed.¹⁶ Another significant finding within the literature is that when employed, there is also a reduction in substance abuse.¹⁷ Substance abuse has an established connection to recidivism and is considered a risk factor. Reduced substance abuse helps lower the risk of reoffending, and increases the chance for successful reintegration into the community.¹⁸ It is encouraging that employees of social enterprises can earn

¹¹ Enterprising Non-Profits. (2014). *Success Themes in Supportive Employment: How Social Enterprise Connects People with Jobs & Jobs with People*. Retrieved August 27, 2014 from:

http://www.socialenterprisecanada.ca/webconcepteurcontent63/000024540000/upload/Toolkits/StrengtheningToolkit/SuccessThemes_FULLReport_06-12-14a.pdf

¹² Eko Nomos Program Development Consultants. (2004). *The Business of Inclusion, Section 2, Participant Learning*. Toronto Enterprise Fund. Retrieved September 3, 2014 from:

http://torontoenterprisefund.ca/images/documents/business_of_inclusion_2.pdf.

¹³ Eko Nomos Program Development Consultants. (2004).

¹⁴ Shahmash, S. (2010).

¹⁵ See for example: Jin, L.R., Shah, P.C., Svoboda, J.T. (1995). The Impact of Unemployment on Health: A Review of the Evidence. *Canadian Medical Association Journal*, 153(5), 529-540; Mckee-Ryan, F.M., Kinicki, A.J., Wanberg, C.R., Song, Z. (2005). Psychological and Physical Well-Being during Unemployment: A Meta-Analytic Study. *Journal of Applied Psychology*, 90(1), 53-76.

¹⁶ Mckee-Ryan, F.M et al. (2005).

¹⁷ Enterprising Non-Profits. (2014).

¹⁸ Philips, L.A. (2010). Substance Abuse and Prison Recidivism: Themes from Qualitative Interviews. *Journal of Addictions & Offender Counseling*, 31(1), 10-24.

a stable income, which gives them the opportunity to address health-related issues, afford healthier meals, and engage in positive recreational activities.¹⁹

Mental health is also important, and before focusing on physical health, individuals must be able to address their psychological well-being.²⁰ A meta-analysis conducted in 2005 by Mckee-Ryan et al. revealed that when participants became employed, there were significant improvements in their mental health.²¹ This is helpful in demonstrating the potential for social enterprises to improve the participant's psychological state, as well as their physical health. However, what is lacking in the literature are explanations of specific models and key factors that, if implemented, ensure that positive impacts in physical and mental health actually occur. Although it is unclear what these key factors are, some literature has suggested that wrap around supports are needed to ensure that an individual has all barriers addressed, not just isolated ones.²² These supports include counselling and mentorship (addictions counselling, crisis management, positive role models), skill development and education (life skills, employment training, financial literacy), basic needs (clothing, food, shelter, transportation), and health and wellness support (access to healthcare, disability management, psychiatric counselling, physical fitness and nutrition support).²³

Financial Impacts

As demonstrated in a 2014 study conducted by Enterprising Non-Profits, being employed through a social enterprise can increase the financial stability of individuals who in turn may be able to obtain sufficient housing and pay for other things that help create a better quality of life.²⁴ However, the researchers in this study noted that the sample size was not representative of the population, and that many social enterprises operate in unique ways that may alter the participants' experience and impacts.²⁵ An evaluation of social enterprises done by the Toronto Enterprise Fund noted that participants in social enterprises have increased access to food security, housing and overall, a higher standard of living.²⁶ Another important financial impact is that these individuals end up with increased economic literacy, which can lead to more financial planning and investing for the future.²⁷ This impact is extremely important because as people become more stable over time, they are able to start saving money and become self-sustaining, independent individuals.²⁸

Social Impacts

One of the most prominent results of this review is that being employed by a social enterprise helps to address unemployment issues for those who are exiting correctional institutions and reintegrating back into society.²⁹ While this may seem simplistic, it is well established throughout the literature that unemployment is linked with higher rates of recidivism and that, in turn, employment helps decrease recidivism rates and fosters greater success when reintegrating back into society.³⁰ One Canadian study revealed that social enterprises can help those facing multiple barriers gain valuable work experience and work skills that they might not normally

¹⁹ Shahmash, S. (2010).

²⁰ Shahmash, S. (2010).

²¹ Mckee-Ryan, F.M. et al. (2005).

²² Enterprising Non-Profits. (2014); John Howard Society of Alberta. (2008). *Social Capital, Social Entrepreneurs and Safer Communities – Enabling Alberta's Communities to Work out Last Solutions*. Retrieved August 28, 2014 from: <http://www.johnhoward.ab.ca/pub/socialcapital/socialcap.htm#challenges>.

²³ Enterprising Non-Profits. (2014).

²⁴ Enterprising Non-Profits. (2014).

²⁵ Enterprising Non-Profits. (2014).

²⁶ Eko Nomos Program Development Consultants. (2004).

²⁷ Eko Nomos Program Development Consultants. (2004).

²⁸ Shahmash, S. (2010).

²⁹ Enterprising Non-Profits. (2014).

³⁰ See for example: Brown, C. (2011). Vocational Psychology and ex-offenders' reintegration: A call for action. *Journal of Career Assessment*, 19(3), 333-342; Makarios, M., Steiner, B., Travis III, L.F. (2010). Examining the predictors of recidivism among men and women released from prison in Ohio. *Criminal Justice and Behaviour*, 37(12), 1377-1391; Motiuk, L.L. (1996). Targeting employment patterns to reduce offender risk and need. *Forum on Corrections Research*, 8(1), 22-24.

be able to achieve as a result of their contact with the criminal justice system.³¹ Social enterprises provide individuals with meaningful work opportunities that enable them to gain credibility, core employment skills, and references.³² These opportunities lead to increased employability for people and, as a result, they are more likely to become active members of society who contribute to the economy.³³ Given the importance of stable employment for reducing recidivism, social enterprises help to ensure people can obtain fitting employment that accommodates a variety of persistent barriers.

Social enterprises also provide the opportunity for individuals to develop positive social relationships and social networks.³⁴ Social enterprises offer social impacts that are important since certain types of social interactions and peer associations are known risk factors that contribute to recidivism.³⁵ The relationships that can be built through social enterprises among staff and within the community create a chance for individuals to feel part of that community.³⁶ The chance to work as part of a team, and build positive relationships, helps individuals gain a sense of belonging after being incarcerated for an extended period of time.³⁷ The literature also suggests that as people gain more support through their new relationships, they end up feeling more comfortable reaching out and accessing community-based social services.³⁸ These social impacts are not only valuable in connecting individuals to others, but also teach teamwork, a very important transferable skill within the workforce.³⁹ The connections and relationships made can also provide people with possible future workplace and community opportunities.⁴⁰ All of these potential impacts help provide support to the person who is coming back into the community and make employment a meaningful experience.

Outcomes

Outcomes for the Organization

Most organizations that decide to engage in a social enterprise do so with the goal that their innovative idea will help them achieve their mission, and will reduce their dependency on donors, grants, and government funding.⁴¹ Social enterprise often helps organizations achieve their social mission and enables them to work towards their goals in a creative way that may help bridge some of the gaps in terms of services that are available to their core population.⁴² This is one of the positive outcomes of social enterprise.

Social enterprises also allow organizations the opportunity to become more self-sustaining and reduce dependency on donations and obtaining funding from external sources, provided that the venture is able to generate revenue.⁴³ It is important to note however, that it is unlikely that social enterprises can or will make enough to completely replace government funding.⁴⁴ Instead, a supportive and complementary relationship between non-profits and the government would allow organizations to build their capacity and more effectively address social issues.⁴⁵ Besides helping organizations achieve their social objectives, social

³¹ Enterprising Non-Profits. (2014).

³² Correctional Service of Canada and Employment and Social Development Canada. (January 2014). *Social Enterprises: Sharing Promising Practices and Challenges Forum Summary Report*. Hill Knowlton Strategies.

³³ Shahmash, S. (2010).

³⁴ Eko Nomos Program Development Consultants. (2004).

³⁵ Sirakaya, S. (2006). Recidivism and Social Interactions. *Journal of the American Statistical Association*, 101(475), 863-877.

³⁶ Eko Nomos Program Development Consultants. (2004).

³⁷ Eko Nomos Program Development Consultants. (2004).

³⁸ Eko Nomos Program Development Consultants. (2004).

³⁹ Shahmash, S. (2010).

⁴⁰ Shahmash, S. (2010).

⁴¹ Malhotra, A., Laird, H., Spence, A. (2010). *Social Finance Census 2010: A Summary of Results for the Social Finance Census of Nonprofits and Social Purpose Business*. Retrieved March 10, 2015 from: <http://theonn.ca/wp-content/uploads/2012/02/sfcensus2010summary.pdf>.

⁴² Malhotra, A., et al. (2010).

⁴³ Laubach Literacy Ontario. (2009). *Benefits and Risks of Social Enterprise*. Retrieved August 28, 2014 from: <http://www.laubachon.ca/sites/default/files/Benefits%20and%20Risks%20of%20Social%20Enterprise.pdf>.

⁴⁴ Laubach Literacy Ontario. (2009).

⁴⁵ John Howard Society of Alberta. (2008).

enterprises can also provide the opportunity to create collaborative relationships across and within sectors in order to generate ideas, funds, and support.⁴⁶ Connections with and support from other organizations provide ideas and best practices to gain legitimacy and support from others, potentially leading to wider use and creating positive social change.⁴⁷

Outcomes for Society

Social enterprises not only hold important positive outcomes for the organization involved, but also for society and the broader community. Social enterprises often go through many persistent barriers when trying to achieve their objectives. This journey and the information learned from this process is very important for stakeholders in order for them to identify exactly what people need and how to best deliver services to meet these needs.⁴⁸ Determining where there is a need for services, and having social enterprises that address barriers such as unemployment, can also help reduce recidivism since those who obtain employment are less likely to reoffend.⁴⁹

Social enterprises also offer practical benefits for society, such as growing the labour supply and workforce capacity. In addition, social enterprises have the potential to improve economic activity by improving human capital, motivating other community members to become productive, and focusing on long term, sustainable community growth. Another outcome of social enterprises and increased employment is a potential reduction in the cost of social assistance.⁵⁰ Shahmash (2010) points out that as more people become employed and self-sustaining, the more the cost of social assistance goes down, allowing resources to be allocated to different areas. Cost in other areas such health care, housing, and public services could also be reduced through social enterprises, as those who have stable employment are less likely to require these services.⁵¹

Sustainability Challenges and Risks

Throughout the literature, the sustainability challenges facing most social enterprises are very similar. The most widely cited challenge, and perhaps the most potentially damaging, is lack of access to funding.⁵² Findings from the 2012 Social Enterprise Survey found that 80% of respondents considered access to external capital in order to invest in a social enterprise to be a challenge.⁵³ For social enterprises, being able to access start-up funding is crucial to get the venture running, but often there is a lack of flexible start-up funding available.⁵⁴ It is also very difficult for social enterprises to obtain funding because often funders and key stakeholders have a lack of understanding and knowledge about what social enterprises are.⁵⁵ Additionally, many stakeholders may be disengaged from discussions about social enterprise.⁵⁶ This shows the need to educate stakeholders and the public about the potential of social enterprises.

⁴⁶ Montgomery, A. W., Dacin, P. A., Dacin, T. D. (2012). Collective Social Entrepreneurship: Collaboratively Shaping Social Good. *Journal of Business Ethics*, 111, 375-388.

⁴⁷ Montgomery, A. W. et al. (2012).

⁴⁸ Correctional Service of Canada and Employment and Social Development Canada. (2014).

⁴⁹ Tripodi, S.J., Kim, J.S., Bender, K. (2010). Is Employment Associated with Reduced Recidivism? *International Journal of Offender Therapy and Comparative Criminology*, 54(5), 706-720.

⁵⁰ Shahmash, S. (2010).

⁵¹ Shahmash, S. (2010).

⁵² Malhotra, A. et al. (2010).

⁵³ Flatt, J., Daly, K., Elson, P., Hall, P., Thompson, M., Chamberlain, P. (2013). *The Size, Scope and Socioeconomic Impact of Nonprofit Social Enterprise in Ontario*. Retrieved August 26, 2014 from: http://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/inspiring_innovation-social_enterprise_in_ontario_by_ccednet-pgs.pdf.

⁵⁴ Enterprising Non-Profits. (2014).

⁵⁵ Hynes, B. (2009). Growing the Social Enterprise: Issues and Challenges. *Social Enterprise Journal*, 2.5, 114-125.

⁵⁶ McIsaac, E., Moody, C. (2013). Sector Signal: The Social Enterprise Opportunity for Ontario. *MOWAT NFP*. Retrieved September 2, 2014 from:

http://mowatcentre.ca/wpcontent/uploads/publications/67_the_social_enterprise_opportunity.pdf.

While the literature does not establish parameters for what constitutes “failure”, one study found that out of 218 social enterprises, 85% of the responding social enterprises broke even in 2011.⁵⁷ However, when you subtract earnings from the grants they receive, only 50% broke even.⁵⁸ It is important to keep in mind that included in this study are a wide range of social enterprises such as thrift stores and culture/arts enterprises, and this data is not directly related to criminalized populations. In contrast, another study found that 71% of social sector enterprises failed to earn a profit, and that half of those who did report a profit failed to fully account for indirect costs related to business such as management time, facilities costs, and other overhead expenses.⁵⁹ The lack of consensus within the literature about the profitability of social enterprises demonstrates the need to further investigate the challenges to better inform sustainability measures.

When it comes to investment of time, the literature is not clear on how long it takes social enterprises to become sustainable. One study found that social enterprises become profitable after 2.5 years.⁶⁰ In contrast, another report suggested it takes 5-7 years for a social enterprise to become sustainable.⁶¹ Overall it seems that there is little consensus on this issue and the varying time periods could depend on the type of social enterprise and other factors related to the industry or the parent organization. One study found that on average, social enterprises earn \$95,696 in revenue in 0-3 years and that by the time they are 4-9 years old they make \$273,059 in revenue.⁶² However, these findings do not take into account grants that are received from external organizations or individual donors.

Aside from the inherent challenge of working with a group of people with complex needs, another common challenge noted within the literature is that of human resources. It can be very difficult for non-profit organizations to find the right staff to fill the required positions, as they need to have specific skills and be able to work with a challenging population that is facing multiple barriers.⁶³ Finding people who have support skills and business skills can be very hard and due to the increased supervision needs of this population, there are significant expenses for hiring a greater number of staff, and also trying to retain them.⁶⁴ Usually organizations also have a lack of internal expertise in terms of operating a business. This means they may have to hire someone externally which can be costly.⁶⁵ Board involvement presents a challenge as it can be difficult to convince a board that a social enterprise is a worthwhile venture to pursue, especially when knowledge about social enterprises is limited.⁶⁶

Another challenge faced by social enterprises is the inherent challenge of running a business while also trying to achieve a social aim.⁶⁷ There are a number of contradictions between a business model and a social services model and these differences can create tension, confusion, and conflict about how to run the enterprise.⁶⁸ Conflict can occur in terms of how much to focus on the business side versus the social mission aspect, decision-

⁵⁷ Flatt, J., Daly, K., Elson, P., Hall, P., Thompson, M., Chamberlain, P. (2013). *The Size, Scope and Socioeconomic Impact of Nonprofit Social Enterprise in Ontario*. Retrieved August 26, 2014 from: http://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/inspiring_innovation-social_enterprise_in_ontario_by_ccednet-pgs.pdf.

⁵⁸ Flatt, J. et al. (2013).

⁵⁹ Foster, W., Bradach, J. (2005). Should Non-profits Seek Profits? *Harvard Business Review*. Retrieved March 2015 from: <https://hbr.org/2005/02/should-nonprofits-seek-profits>. For additional information see: Armstrong, R., Trillo, S. (2009). *Talking Social Enterprise: Can it be a path to sustainability for non-profits?* Retrieved August 28, 2014 from: http://socialinnovation.ca/sites/default/files/Talking%20Social%20Enterprise%2009_0.pdf.

⁶⁰ Armstrong, R., Trillo, S. (2009).

⁶¹ Shahmash, S. (2010).

⁶² Flatt, J. et al. (2013).

⁶³ Malhotra, A. et al. (2010).

⁶⁴ Enterprising Non-Profits. (2014).

⁶⁵ Enterprising Non-Profits. (2014).

⁶⁶ Eko Nomos Program Development Consultants. (2004).

⁶⁷ Eko Nomos Program Development Consultants. (2004). *The Business of Inclusion, Decision-Making and the Role of the Parent Organization*. Toronto Enterprise Fund. Retrieved September 3, 2014 from: http://torontoenterprisefund.ca/images/documents/business_of_inclusion_4.pdf.

⁶⁸ Eko Nomos Program Development Consultants. (2004).

making, human resources and more.⁶⁹ The fact that social organizations may have to hire business expertise externally as mentioned above, may cause further conflict, as the person may not know about the social mission and may be more apt to focus on the business goals.

The literature also revealed that regulatory barriers are a challenge. It is suggested that strict Canada Revenue Agency requirements are challenging for charities in particular, and that these problematic frameworks make it difficult to run a social enterprise.⁷⁰ The restrictions that are in place not only affect the organization itself but they also affect individuals who might become employed through social enterprises.

Another challenge worth noting is the limited ability to measure the impact actually caused by the enterprise. The issue with impact measurement is that it is very costly, and although funders want impact measurement, they may not be willing to give the organization the money to do it.⁷¹ This is problematic because if organizations are unable to measure their impact, it is less likely that they will be able to obtain funding in the future, as they cannot demonstrate the degree to which the enterprise creates positive change.

As with sustainability challenges, the risks for organizations in engaging in a social enterprise are largely homogeneous. The most pressing and influential risk that may deter many organizations from starting a social enterprise is the serious potential of losing money.⁷² Although social enterprises can create another revenue stream as mentioned above, there is also the possibility that the start-up costs and the costs to sustain the enterprise are greater than the revenue drawn in.⁷³ There is still very little known about how successful social enterprises are in terms of generating revenue, but some studies have suggested that very few social enterprises are self-sustaining or profitable.⁷⁴ One study found that 71% of social enterprises failed to earn a profit, even though they did generate revenue.⁷⁵ Another significant financial risk is the issue of decreased funding from other sources.⁷⁶ Organizations that are considering starting an enterprise may fear that traditional funders will decrease or cut their support all together, which could cause financial instability.⁷⁷

Running a social enterprise demands a very different set of skills and knowledge than non-profit organizations may have; and this challenge brings the risk of failure. For those who are not experienced in creating and running a social enterprise, there is a tendency for the organization to underestimate the challenges and costs associated with the process, and overestimate the amount of revenue that could be earned.⁷⁸ There may also be failure to create a comprehensive business plan and marketing plan, and to take into account the resources and operational costs required to create a successful venture.⁷⁹

Other than financial and operational issues, there is the risk that the organization may suffer from mission drift. Mission drift can be defined as a shift within the organization that moves away from carrying out the original public benefit mission, towards ensuring the success of other income earning ventures.⁸⁰ Social enterprises

⁶⁹ Eko Nomos Program Development Consultants. (2004).

⁷⁰ Malhotra, A. et al. (2010).

⁷¹ Golden, K., Hewitt, A., Lewkowitz, M., McBane, M., Torjman. (2009). *Social Entrepreneurship – Part 1: Social Venture Finance, Enabling Solutions to Complex Social Problems*. MaRS Discovery District. Retrieved September 2, 2014 from: http://sig.uwaterloo.ca/sites/default/files/documents/MaRS_Social_Venture_2009.pdf.

⁷² Laubach Literacy Ontario. (2009).

⁷³ Laubach Literacy Ontario. (2009).

⁷⁴ Armstrong, R., Trillo, S. (2009). *Talking Social Enterprise: Can it be a path to sustainability for non-profits?* Retrieved August 28, 2014 from: http://socialinnovation.ca/sites/default/files/Talking%20Social%20Enterprise%2009_0.pdf.

⁷⁵ Armstrong, R., Trillo, S. (2009).

⁷⁶ Laubach Literacy Ontario. (2009).

⁷⁷ Laubach Literacy Ontario. (2009).

⁷⁸ Armstrong, R., Trillo, S. (2009).

⁷⁹ Armstrong, R., Trillo, S. (2009).

⁸⁰ Imagine Canada. (2013). *Earned Income Framework: Mainstreaming the key concepts for charities and nonprofits*. Retrieved October 17, 2014 from:

http://www.imaginecanada.ca/sites/default/files/www/en/publicpolicy/earned_income_framework_2013.pdf.

potentially can distract non-profit organizations from their core mission and programs.⁸¹ In turn, attention and resources may be diverted towards the enterprise and revenue making and away from the original mandate of the organization.⁸² Mission drift is potentially devastating to the not-for-profit if it strays too far from its original mandate and core activities.⁸³ It might have its corporate status changed and lose sight of its reason for being.

While there are many challenges listed that warrant consideration in regard to sustainability, there are some successful factors of social enterprise that may help to mitigate the risks. These include:

- Adopt a business mindset – it is necessary to identify a real need and target population in the market for the services or good that the social enterprise will be providing
- Ensure mission impact: ensure that the social venture will actually contribute to your mission, this will also help avoid mission drift
- Create clear visions and objectives: design the enterprise to meet certain objectives such as contributing to your mission and generating extra revenue
- Have a business plan: a comprehensive business plan is key to anticipating risk and being prepared to deal with issues that arise
- Assess the capacity of your organization: an organization needs to be in good shape financially and administratively before launching a social enterprise
- Build on strengths: identify the strengths of the organizations and use them to create advantages over competitors
- Evaluation: continually assess how the enterprise is doing and if it is effectively using its resources
- Secure sufficient capital: be realistic about how long it takes for a business to become sustainable and profitable. Make sure you have enough start-up money and enough money to sustain the enterprise until it can sustain itself
- Hire the right people: make sure you know what kind of skills/expertise is needed for the social enterprise. It might be beneficial to partner with experienced people/organizations in the field and make staff that are hired have business skills as well as social support skills
- Get buy-in: make sure there is leadership within key staff and that the board members support and believe in the enterprise⁸⁴

As demonstrated by the sustainability challenges and the risks of running a social enterprise, it is clear that non-profit organizations and charities are engaging in a risky and demanding venture. However, the literature also has shown how much of an impact social enterprises can have on a micro and macro level when successfully implemented. Even though social enterprises can be a useful tool to address social issues, more funding and support is required in order to ensure these ventures can meet their goals and missions to the best of their ability. There is limited literature on how to achieve and maintain balance between business goals and the initial mission of the organization.

Sub-Populations

Criminal Justice

Currently there is a lack of research specifically examining how the trajectory of criminalized persons are influenced by social enterprises. Most of the research on social enterprises refers to those with “multiple and persistent barriers”. Although this is important, criminalized populations usually have even more extensive barriers to employment such as social stigma and a criminal record. More research is needed to understand

⁸¹ Laubach Literacy Ontario. (2009).

⁸² Armstrong, R., Trillo, S. (2009).

⁸³ Armstrong, R., Trillo, S. (2009).

⁸⁴ Armstrong, R., Trillo, S. (2009).

how these added barriers affect employment opportunities, if social enterprises can be helpful to this population, and what services and supports are needed to ensure this population can access and be successful in social enterprises.

Homelessness

Although there is research examining social enterprise and homelessness separately, there is very little research available on how these two concepts intersect.⁸⁵ Within the homeless population, certain groups are overrepresented and these groups include people with mental health problems and illnesses, people who have been incarcerated, and those with substance abuse issues. Before a homeless individual can successfully change their situation, a number of needs have to be addressed. Ensuring the individual has access to suitable housing and that they have some financial stability is key to ensuring their successful transition. Daily living skills such as cooking, cleaning, managing finances, and interacting socially are also important skills that individuals should learn in order to successfully adapt to a new way of life. Social enterprises can help address some of these needs such as housing and earning income. They provide a unique opportunity for people to gain new skills, experience, qualifications, and self-esteem which would not be an option in the regular job market. If funding allows it, social enterprises may also have the potential to provide participants with the wider social supports needed to successfully move someone into a stable housing situation.⁸⁶ However, the dearth of research in this area makes it difficult to assess how or if social enterprises impact homelessness.

Mental Health

As with homelessness, there is limited research on the intersection of mental health and social enterprise. However, there is research that suggests that employment is important for people suffering from mental health issues.⁸⁷ Individuals with mental health problems and illnesses may benefit from engaging in an alternative workplace such as a social enterprise, which provides greater support and accommodation for employees with multiple barriers as compared to more 'mainstream' jobs.⁸⁸ One key point within the literature is that when mental health services and employment training are given to an individual simultaneously rather than separately, the result is improvements in relationships, self-esteem, hope, life satisfaction, and even better employment outcomes.⁸⁹ Overall, the small amount of research in this area seems to suggest that if the proper mental health support and employment training is given, social enterprises can assist in providing a better quality of life for those with mental health issues. Once again the information about these areas makes it clear that funding and working collaboratively with other services are key to the success of social enterprise participants.

Additional Considerations

Income Support

Income support is a significant area considered within the literature. Specifically, the impact that income support regulations have on populations that are most likely to be engaged through social enterprise has been considered. A review of social assistance programs prepared for the Ministry of Community and Social Services in Ontario sheds light on some of these challenges.⁹⁰ In Ontario, the number of people accessing social

⁸⁵ Teasdale, S. (2010). Models of Social Enterprise in the Homelessness Field. *Social Enterprise Journal*, 6(1), 23-34.

⁸⁶ Teasdale, S. (2010).

⁸⁷ Lanctôt, N., Durand, M.J., Corbière, M. (2012). The Quality of Work Life of People with Severe Mental Disorders Working in Social Enterprises: A Qualitative Study. *Quality of Life Research*, 21(8), 1415-1423.

⁸⁸ Lanctôt, N., et al. (2012).

⁸⁹ Ferguson, K.M. (2012). Merging the Fields of Mental Health and Social Enterprise: Lessons for Abroad and Cumulative Findings from Research with Homeless Youth. *Community Mental Health Journal*, 48(4), 490-502.

⁹⁰ The Commission for the Review of Social Assistance in Ontario report provides the most up-to-date review of a social assistance program in Canada, and is relevant to this report as three out of five FHPPs are based in Ontario. For additional Canadian context the following reports can be consulted: Government of Newfoundland and Labrador. (2002). *Investing in People: New Directions for Social Assistance Legislation*; Government of Manitoba. (2013). *EIA Rate Review, Fall 2013: A review of the total income available to Employment and Income Assistance Participants in Manitoba*.

assistance is rising, with more than \$8.3 million dollars being spent on these programs in 2011-12.⁹¹ The literature suggests that income support is very confusing, given that there are about 30 different support and benefit systems that address employment, health, and other areas. These various support programs are expected to interact with each other yet they all have different rules and eligibility requirements, often causing confusion for the recipient of the support. The complexity of the social assistance programs causes a number of issues, mainly that people may not know when they are eligible for social assistance or when they are breaking the rules.⁹²

Benefits tend to have earned income limits. Once these limits are reached, a certain amount of money is taken away for each dollar the person earns.⁹³ One of the biggest concerns in the literature is how the withdrawal rate affects the incentive for people to obtain employment. For example, in Ontario, the withdrawal rate is 50% - for every dollar someone makes, their social assistance is reduced by 50 cents.⁹⁴ Many people who receive social assistance see this withdrawal rate as a disincentive to work and they often worry about losing their benefits altogether. With this withdrawal rate, employees sometimes only schedule a certain number of hours to avoid losing benefits and may deliberately miss shifts if they fear going over their limit. This disincentive to work that is built into social assistance programs is also problematic for social enterprises. It means that they have to deal with people missing shifts and hire more employees because most are not willing to work over a certain amount of hours.⁹⁵

The transition of moving from social assistance to employment only is something that has been identified as a challenge for individuals. Although they may want to become fully independent, they may feel unsure about the process of the transition and how this transition will affect their financial stability.⁹⁶ Currently, programs such as Ontario Works require a Participation Agreement to be filled out upon application for assistance. This agreement is supposed to set out a plan for finding and transitioning into employment, however this plan does not provide actual services that aid in the transition, nor does it provide financial coverage during times of transition.⁹⁷

The Commission for the Review of Social Assistance in Ontario recommended in their 2012 report that the current social assistance structures be reformed and that a simple social assistance system be adopted.⁹⁸ They also recommended that financial incentives to work be increased so that people can see a tangible rise in their standard of living when they work more hours and have a dedicated work ethic. This report recognized that social enterprises are often a good fit for people on social assistance as they provide a supportive environment where positive work habits are taught. Although this is true of social enterprises, the literature revealed that social assistance regulations and structures are still a barrier for the organization and its employees. They would benefit from a simpler system that explicitly encourages working and helps facilitate transition from social assistance to employment.

Management Styles

Although the literature on management styles within social enterprises is limited, some sources suggest that one effective management style when working with high needs groups is a participatory style. This participatory style means that, unlike most business ventures, a single person does not make the decisions.⁹⁹ Instead, important decisions are made in a more collective manner and the input of employees is considered.

⁹¹ Commission for the Review of Social Assistance in Ontario. (2012). *Brighter Prospects: Transforming Social Assistance in Ontario*. Retrieved December 9, 2014 from: <http://www.mcass.gov.on.ca/en/mcass/news/releases/2013/20130522.aspx>.

⁹² Commission for the Review of Social Assistance in Ontario. (2012).

⁹³ Enterprising Non-Profits. (2014).

⁹⁴ Commission for the Review of Social Assistance in Ontario. (2012).

⁹⁵ Enterprising Non-Profits. (2014).

⁹⁶ Enterprising Non-Profits. (2014).

⁹⁷ Commission for the Review of Social Assistance in Ontario. (2012).

⁹⁸ Commission for the Review of Social Assistance in Ontario. (2012).

⁹⁹ Enterprising Non-Profits. (2014).

Therefore, the employees are encouraged to take responsibility for the enterprise and its success, helping them to enhance problem solving skills and competency. Contrary to traditional management styles, it is also important for social enterprise managers to be accommodating when working with populations with multiple barriers.¹⁰⁰ Managers must be able to create an environment that encourages trust, understanding, teamwork, and where the well-being of the employees is a priority.¹⁰¹ Managers of social enterprises should be aware of the different needs of each employee and how to best address them.¹⁰² However, this is a demanding task and brings the challenge of human resources to the fore once again. One solution to the challenge of management is hiring an employment specialist.¹⁰³ Employment specialists, such as the ETS at Stella's Circle, can be hired to either provide support to the employees directly, or to help build the capacity of supervisors in order to provide with the right tools to do their job effectively.¹⁰⁴

Summary

The research on social enterprise seems to be lacking a number of critical areas that, if further investigated, would allow current and future social enterprises to better their practices. In particular, there is an abundance of research that suggests that social enterprises can be and have been successful in their missions. However, there are limited evidence-based models, practices, services, and support methods on how to create these positive impacts. As a starting point, it is suggested that The Canadian Social Enterprise Guide be consulted as a comprehensive resource.¹⁰⁵ Further research is also needed to identify what exactly the needs of criminalized persons are, and how social enterprises can ensure all of these needs are implemented and met in a practical way. Future research should also explore the conflicts that social enterprises face when trying to balance a business model and a social mission. More information is needed to determine how social enterprises can find a successful balance between these two areas. A key consideration is the amount of resources that need to be allocated to each area in order to achieve balance. What is clear from this literature review is that although social enterprises have significant potential to impact people's lives positively, multiple external supports are needed to ensure that individuals can maximize their potential. These external supports include adequate housing, basic necessities such as clothing, food, transportation, addiction services, and mental health services.

Comparative Analysis

The way in which the findings of the FHPP evaluations compare to the findings of the literature review help to contextualize the projects and guide future research. The FHPPs were designed to address the needs of a specific target population within the boundaries and capacities of the five direct service providers. While not necessarily adhering to a specifically applied academic approach to social enterprise, there are nonetheless common factors that allow for a comparative analysis to connect the projects to trends within the relevant literature.

The **target population** described by the literature – those with multiple and persistent barriers – are consistent with the target populations of the FHPPs. However, the majority of FHPP participants can face the barriers described by the literature along with the added challenges of a criminal record, parole obligations, and institutionalization. The paucity of research specific to those with a history of involvement with the criminal justice systems adds to the challenge for service providers who operate within community corrections to be creative in their approach to employment training and social enterprise, and flexible in their methods to best meet the needs of their clients.

¹⁰⁰ Enterprising Non-Profits. (2014).

¹⁰¹ Moreau, C. & Mertens, S. (2013). Managers' Competence in Social Enterprises: Which Specificities? *Social Enterprise Journal*, 9(2), 164-183.

¹⁰² Moreau, C. & Mertens, S. (2013).

¹⁰³ Enterprising Non-Profits. (2014).

¹⁰⁴ Enterprising Non-Profits. (2014).

¹⁰⁵ Enterprising Non-Profits. (2010). *The Canadian Social Enterprise Guide, 2nd Edition*.

Findings from the evaluations on **personal impacts** are consistent with the literature on the potential of social enterprise to increase factors such as self-esteem and confidence based on data collected at the end of the evaluation period. While the measurements differed across the FHPPs on personal impact indicators, each did measure personal indicators in their own way. For example, the evaluation for the Culinary Academy Apprenticeship program set out to measure participant progress in social, physical, personal, financial, and human areas, each with its own sub-categories. Participants were evaluated with tools such as asset-mapping and in-person assessment forms. The evaluation for Rideau Social Enterprises administered a 10-point Likert engagement scale comprised of attendance, attitude, punctuality, and quality of work. The KLINK evaluation aimed to undertake an overall measurement of success using three criteria: the completion of the program; acquiring gainful employment; and remaining in the community after their KLINK experience without return to custody or breach of conditions. The Asphalt Gals evaluation utilized interviews and questionnaires to determine the impact of program, while Stella's Circle utilized interviews as well as an existing database (the Accountability and Resource Management System). Three out of the five pilots also utilized logic models to measure the achievement and outcomes of the projects. Regardless of the tools used to measure impact, each provided the opportunity to observe how the program may have impacted participants' self-confidence and motivation.

It is important to note, however, that the FHPP evaluation findings on personal impact were largely limited to participants who had completed the training or who had positive trajectories; likewise, the literature does not account for the impacts on those who do not complete their participation in social enterprise. Given that 42.5% of FHPP participants had negative trajectories, and an additional 9.5% were neutral (based on the aggregated data in Table 1.2), the findings suggest that a significant cohort is being overlooked within the literature. As such, it may be worthwhile to know the personal impacts on those who leave social enterprise programs due to negative outcomes, and future research should consider this factor in project design.

Based on the variety of assessment tools utilized by the FHPPs, the criteria for measuring **financial impacts** similarly compares to the measurement of personal impacts. However, there is still an opportunity to compare some of the evaluation findings with those in the literature. The literature suggests that being employed through a social enterprise can increase the stability of individuals; however, this relies on the principle that participants are being financially compensated. Only two out of five FHPPs – KLINK and Asphalt Gals – were able to provide some degree of financial compensation for participants. The others were designed to provide training or employment support that would help to transition participants to paid employment opportunities. A common recommendation across the evaluations was to have financial incentives in place as a means of reducing participant attrition.

The KLINK evaluation presented a unique challenge related to funding that was not addressed by the literature. The KLINK program was able to secure – in some instances – funding to pay for training placements by a local, external funder. With some participants being paid and others unpaid for the same work, the evaluation was able to provide findings on the complexity associated with this variable. Specifically, the evaluation noted the relationship to attrition, or the lack of motivation to participate in the program when funding was unavailable. This resulted in a number of participants who did not complete the program.

An additional challenge raised by the KLINK evaluation pertained to the external employers where participants were placed for training. In principle, the goal was to have trainees who did well in the program eventually transition to paid employment if the employer was satisfied with their performance during training. In some instances, employers appeared to be taking advantage of having unpaid trainees doing work that would otherwise be completed by paid employees, without having any of the trainees hired by the employer at the end of the placement. This presents a challenge of creating an opportunity for participants that creates long-term prospects for employment, and finding employment placement partners who are as interested in the social cause of the enterprise as they are in gains from cutting the cost of wages.

While the literature has established that there are negative effects on physical and mental health when people are unemployed, due to limited follow up data at the end of the evaluation periods there was insufficient data available to measure the **mental and physical health impacts**. Given the findings from the literature and the FHPP evaluations, an investigation into the possible correlation between employment with financial incentives and physical and mental health impacts may be warranted.

Presently, all five programs continue to operate in the same or a similar manner – a commendable achievement, especially considering that the evaluations reflect the majority of the **risk** factors highlighted in the literature overview. However, funding and sustainability remain issues for the programs. While this synthesis aimed to provide lessons on sustainability which extend beyond the available literature, the evaluation period for the FHPPs was during the pilots' preliminary phases and there is limited available data. Based on the continued operation of the programs, and the limited information within the literature on how to achieve and maintain balance between business goals and being mission driven, a follow up investigation into the factors that support maintenance of successful enterprises is suggested.

The FHPP evaluations offer preliminary insight into how social enterprise and employment training influence general participant trajectories. However, in order to assess the relationship of social enterprises to issues such as **homelessness, mental health, and criminal justice**, there is a need for a targeted research instruments to be incorporated into future studies. Identifying key issues to be measured, such as the effectiveness of providing mental health services in conjunction with employment supports would assist with understanding outcomes.

In regard to **income support**, the recommendations from the evaluation of the Stella's Circle ETS are in line with those of the 2012 Commission for the Review of Social Assistance in Ontario report. Both call for a simplified, streamlined system and a change in the social assistance structure that incentivizes people's motivation to be employed. However, since Stella's Circle was evaluated for an employment program rather than a social enterprise, additional information is needed on how social enterprises intersect with social assistance for people who are earning an income from the enterprise. What is clear from the findings is that in addition to being provided employment support, participants are in need of access to personal support, feedback, and stability when transitioning from social assistance to paid employment.

Based on the challenges presented in navigating income support, and the additional support needs of participants, it is important to consider **management styles** that support effective participation in social enterprise and transitions to employment. The literature notes that employment specialists can provide direct support, and help build capacity of supervisors of employment programs. The evaluation of the Stella's Circle pilot and follow up information they have provided, reflect similar findings. While the evaluation of one position does not allow for a conclusive finding that the availability of an ETS is the most promising management style, the findings suggest that it is certainly a worthwhile consideration for a social enterprise program.

Concluding Thoughts

A review of the FHPP evaluations and relevant literature on social enterprise offers insight for those who are interested in becoming involved with social enterprise. The lessons learned can help to guide their activities and future use in Canada. The FHPP evaluations that provided recommendations offered the following advice in this regard:

1. Provide strong incentives for program completion
2. Link with existing work release programs for candidates interested in the employment opportunity to better prepare them for eventual return to community

3. Make data collection tools available to service providers/evaluators as these are critical for providing in-depth information and analysis of participant barriers and challenges (particularly for issues such as homelessness, mental health, and criminal justice)
4. Standardize employment programs to assist with evaluation
5. Adopt the common communication practices of the industry based on an understanding of partners and target audiences to facilitate information sharing
6. Identify the capacity for available work and adjust the number of people hired so that they can be offered a liveable wage and appropriate hours
7. Request program staff to conduct exit-interviews with all employees leaving the social enterprise
8. Focus on rapid reinstatement of social assistance when people leave a job so they can avoid potential crisis if they do not have sufficient funds to meet basic needs
9. Provide more clarity for people who are trying to understand how much money they can earn before it impacts their social assistance

After a comprehensive study of all five FHPP evaluations and the available literature, SLSC has drawn the following conclusions:

1. Social enterprise should be considered for use to enhance people's employment capacity, particularly those who have been involved with the criminal justice system since it addresses challenges such as having a criminal record, obtaining employment post-release, building credibility in an employment setting, and obtaining a reference.
2. The target group should be comprised of those who are not employment-ready, and those whose criminal records are preventing them from being placed directly in 'mainstream' employment.
3. When considering external funding, corporate buy in needs to be driven by support for the social cause, not solely business interests. Corporate support is difficult to obtain given that the populations served is mostly criminalized, and attract limited public support.
4. Corporations may not have a lot of awareness of the challenges in effectively rehabilitating and reintegrating former prisoners and the importance of overcoming stigma.
5. There must be a capacity to integrate support from program staff. This is critical for all parties involved, and a maximum caseload must be defined given the complexity of the population being served. The workload needs to be distributed according to the challenges and needs of the clients.
6. Organizations should be provided with data collection tools/templates that are simple, clear, and concise. They should focus on key areas that inform a broader perspective in how social enterprises affect specific sub-populations that are of interest. By offering a starting point for data collection, organizations can then build on the existing tool to accommodate their own information goals.
7. Those who seek progress in the area of social enterprise within a criminal justice context should provide adequate resources to maintain the social enterprise long enough for it to become well established.
8. In developing policy concerning promising practices in social enterprise, the following elements are proposed:
 - a. Communication
 - b. Clarity of Mission
 - c. Clients First
 - d. Community Partners
 - e. Competence

Based on these conclusions, SLSC suggests that the priority areas for future research and policy development in the area of social enterprise include: establishing incentives for program completion; creating standardized evaluation tools for more effective data collection; and, evaluating the intersection of social-assistance related policies and social enterprise.

The success of the five pilots and the results of their evaluations indicate the potential future use of social enterprise. Aggregating the data has been helpful to establish preliminary findings, particularly in relation to criminalized populations. To summarize, SLSC has identified the following areas as potential areas for future research:

- Investigate the personal impacts on those who leave social enterprise programs due to negative outcomes
- Investigate the potential correlation between financial compensation for employment and physical/mental health impacts
- Investigate the factors that support how successful social enterprises are maintained
- Investigate the effectiveness of providing mental health services in conjunction with employment supports

Through this synthesis, SLSC has highlighted the information presented within the FHPP evaluations to leverage collective knowledge on promising practices on social enterprise. We suggest its use as a reference guide to support the creation of social enterprises to prevent and reduce homelessness and to support effective reintegration for criminalized populations. The opportunity to prepare this analysis of employment program activities has demonstrated very clearly the commitment, creativity, and perseverance of service providers to find innovative ways to meet the needs of their clients and their communities.

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Appendix 1.1: FHPP Evaluation Follow-Up Survey Questions

FHPP Evaluation Follow Up Survey

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About this survey

You are being asked to complete this survey as a former recipient of a Federal Horizontal Pilot Project (FHPP) grant related to social enterprise/employment from Employment and Social Development Canada (ESDC, formerly Human Resources and Skills Development Canada). St. Leonard's Society of Canada has been commissioned by ESDC to conduct a synthesis of the final evaluations of the FHPPs with the aim of leveraging collective knowledge on promising practices in social enterprise, especially in terms of sustainability and effectiveness, and to serve as a guide to support the creation of social enterprises to prevent and reduce homelessness. As part of SLSC's research process, you are being asked to complete a short, 5 question survey in follow up to the evaluation you submitted to ESDC regarding your social enterprise/employment program. All responses will be kept confidential and you can choose to bypass questions you do not wish you answer. If you have any questions regarding this research please feel free to contact Anita Desai, Research and Policy Advisor at SLSC by email: research@on.aibn.com or by phone: 613.233.5170, or Elizabeth White, Executive Director at SLSC by email: eawhite@on.aibn.com.

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1. Please select the most appropriate level of your involvement with the social enterprise/employment program
2. How satisfied were you with the FHPP evaluation prepared for your organization's social enterprise/employment program?
3. To what extent have you employed the recommendations listed in the FHPP evaluation report since the end of the evaluation period?

PLEASE EXPLAIN YOUR SELECTION FOR Q.3

4. Please explain if the social enterprise/employment program related to your FHPP has evolved or undergone changes that go beyond what was recommended by the evaluation.
5. Please include any additional comments/advice/strategies related to your FHPP evaluation/experience in the space below.