

Jubilee Fund

Investigating the Social Impact of Jubilee Fund Loan Guarantees and Bridge Financing

Breaking down barriers to financial inclusion and poverty

The Jubilee Fund is an ethical investment fund that provides flexible financing in the form of loan guarantees and/or bridge financing for worthy projects that do not qualify for traditional financing. "Worthy projects" are those that address the inter-related issues of poverty, lack of financial assets, and lack of access to credit.

The primary beneficiaries are usually social purpose organizations like charities, not-for-profit organizations, and social purpose businesses (co-operatives and social

enterprises) that hope to initiate or complete community-based projects that reduce poverty and financial exclusion in Manitoba.

These organizations are established, stable social purpose organizations that have "projects or ventures that contribute to the social and economic strength of our community."

More specifically, Jubilee Fund encourages applications from "social business, low-income housing projects and community

projects with tangible benefits to local residents."

Within those categories, Jubilee Fund investors prioritize projects that have encountered barriers to traditional financing and investors know that they are making small concessions in financial returns in order to make a contribution to the expected social impacts. The intent is that support for social purpose organizations will result in reduced poverty and increased well-being and inclusion at the grassroots level.

Jubilee Fund Loan Guarantees and Bridge Financing

The Jubilee Fund works with twelve to fifteen organizations per year. Between six and twelve of these cannot access traditional financing. The Jubilee Fund works in partnership with Assiniboine Credit Union (ACU), which provides the loan for which the guarantee or bridge financing has been secured.

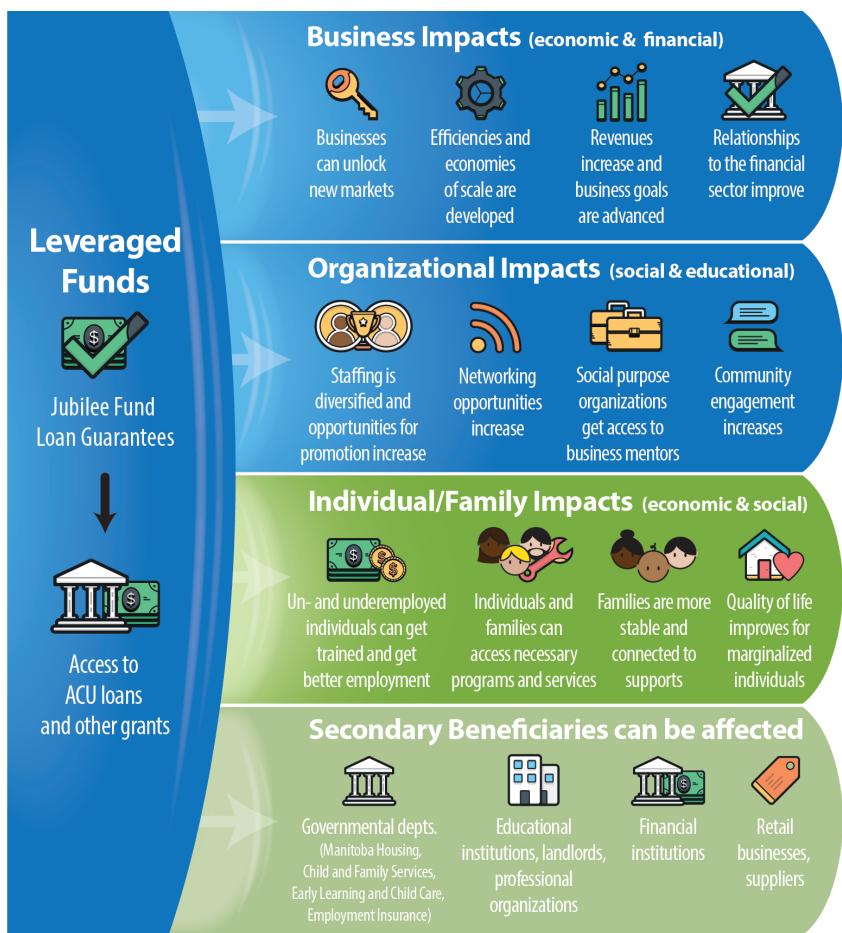
This is the only working arrangement of its kind in Manitoba and is, in fact, rare in Canada.

In 2017, Eupraxia Training was asked to investigate the social impact of Jubilee Fund's loan guarantees and bridge financing. Through focus group participation, interviews, and additional research, an inventory of impacts was created for eight social purpose organizations that had received Jubilee Fund support in recent years.

In turn, these organizations expanded their work with children, families, adults with mental health needs, newcomers, foster families, individuals with inadequate/no employment, and racialized individuals.

Without the Jubilee Fund, many of the new financial, economic, organizational or social impacts would not have taken place.

JUBILEE FUND'S INVESTMENT IMPACT



Contributing to Social and Economic Strength in our Community

Interviews with social purpose organizations in the study revealed that:



- New daycare spots became available in under-served areas, meaning that parents could go to work, go to classes, or recover from serious health concerns; waitlists for subsidized and pre-school daycare spots were reduced;
- Marginalized employees had supportive employment with opportunities for advancement and training;
- Local food culture grew and became more innovative;
- Newcomers' familiarity and cooking skills with Canadian foods increased, meaning that family food budgets could be used more effectively;
- New training programs were developed;
- English language skills increased;
- More newcomers could get their overseas credentials recognized and look for work in their field;
- Women got promotions into management positions;
- Psychological services could be provided at a reduced cost (or free) to low-income individuals;
- Low-income homeowners could reduce their utility bills;
- Some participants were not re-incarcerated;
- Sector-specific networks were developed;
- Working relationships between social purpose organizations and the financial sector improved; and
- Under-served areas of Winnipeg received important social services meaning that more children, families, and individuals got the information, assistance, referrals, or support they needed.

Impact Stories

- A single mother, recovering from substance abuse, had a child with special needs who often ran away from home, which only served to increase the mother's stress, low self-esteem, and inappropriate coping strategies. The daycare accepted the child because of its specialized staff expertise, reducing the risk of apprehension. In addition, because the Jubilee Fund-supported leasehold improvements had made staff expansion possible, a volunteer opportunity could be offered to the mother to support her in her recovery. A number of years later, the mother re-married and the family moved. The son, now an adult, was never apprehended and still lives happily with his family.
- Since receiving a loan guarantee that allowed it to open Elements, Diversity Foods can offer its employees a broader work experience ranging from cafeteria style food preparation and table service restaurant work to special events catering. This creates an employment ladder so that employees can advance and move to different locations until they feel ready to transfer their knowledge and skills to other parts of the local foodservice industry, confident that they have a network of people to continue to support them on their employment journey.

Return on the Jubilee Fund Investment

Research into impact evaluations done for World Bank and OECD credit schemes revealed that attribution rates are considered to be very high for loan guarantors like the Jubilee Fund when:

- a) the recipient organization could not have accessed financial support on its own,
- b) no other guarantor can be found,
- c) the consequences of not securing financing seriously affects the trajectory of the organization's mission, and
- d) the investment impacts can be directly linked to receiving the loan guarantee (proving "additionality").

These conditions hold true for the Jubilee Fund and the organizations it supports. As a result, the return on the investment made by the Jubilee Fund in social purpose organizations includes the monetary and non-monetary value of a wide range of business, organizational, and social impacts (see right).

Eight of the social purpose organizations that received loan guarantees in recent years stated that the Jubilee Fund's direct investment impact could be seen in:

- **financial and economic impacts** such as secured loans, increased ability to leverage other funds, leasehold improvements, expanded markets, additional housing and new local businesses, stabilized supply chains, economics of scale, advanced business goals, improved relationships with financial institutions, increased capacity to sell/provide services, avoided layoffs, increased revenues
- **organizational impacts** such as new knowledge about social finance, improved working relationships with the financial sector, increased business development capacity, staff expansion, recognition for expertise, promotions for women
- **social impacts for the organization** such as increased support networks, trusted mentorships, expanded professional outreach, a sense of security from long-term committed support, being part of a mission-driven community, additional capacity to employ low-income individuals, broader reach into the community through larger and more capital-intensive projects
- **social impacts for the organizations' clients and customers** like supportive employment-related training, employment and advancement for marginalized individuals, parenting support, shifts in food culture, free/low-cost counselling, increased child care spots, ability to provide emergency child care due to increased enterprise capacity, improved newcomer settlement, reduced crime, increased family financial security, improved quality of life