

Social Capital Partners and Ontario Government to begin consultations with Canadian financial institutions for a Community Loan Pilot Project



November 7, 2014

Social Capital Partners is pleased to announce an innovative collaboration with the Government of Ontario designed to explore a novel social finance approach that provides employment opportunities for people with disabilities and other vulnerable populations.

In the coming weeks, consultations with Canadian financial institutions will explore ways to scale the Community Loans Pilot Project.

This approach is based on the past success of Social Capital Partner's Community Employment Loan Program which has facilitated loans to business owners of franchises in more than 60 locations who have committed to hiring those at a disadvantage. The interest rates of the loans are directly linked to the desired social outcome: for every employee hired from a community agency partner, the interest rate on the loan decreases. Such financing attracts community-minded business owners who have entry level positions with the potential for career growth and advancement. It's a win-win scenario: disadvantaged job seekers are offered opportunities for meaningful employment while small businesses gain access to attractive financing terms and motivated employees.

With support provided by the Government of Ontario, Social Capital Partners worked with Deloitte to complete a feasibility study of how a program like this could be scaled. The study concluded that by offering an interest rate incentive to small and medium sized enterprises that implement a community hiring program savings would be realized by the reduction of other government support costs.

The study concluded that this financing scheme is an untapped opportunity to provide job opportunities to disadvantaged groups. The study is available on the SCP website www.socialcapitalpartners.ca

The government and Social Capital Partners will now begin consultations to refine the design with the goal of implementing a pilot to test the model in the near future.

"Ontario is pleased to work with Social Capital Partners to start consulting with Canada's leading financial institutions to help scale up the Community Loans Pilot. This program is a great example of an innovative solution that improves employment opportunities for persons with disabilities and others facing employment barriers, and helps them become active participants in the workforce." - Brad Duguid, Minister of Economic Development, Employment and Infrastructure

"We are excited to work with the Ministry of Economic Development, Employment and Infrastructure to take our existing Community Loan Program to the next level, working closely with both bank and community partners. We view this as an important step to expand the use of community employment practices by Canadian business owners, helping to facilitate employment access to countless job seekers who face added obstacles in finding work. We believe this is a prime example of how social finance can be leveraged to engage the private sector and generate win-win solutions." – Bill Young, Founder and President of Social Capital Partners

BACKGROUND

Social Capital Partners (SCP), founded by Canadian business leader and venture philanthropist Bill Young, is dedicated to discovering new ways to improve access to employment for those who find themselves at a disadvantage. Working closely with key players in the public, private and non-profit sectors, SCP aims to design, ignite, and prove new models that benefit job seekers and employers -- sharing what works with strategic allies who can impact the most people. SCP is driven and guided by what will have the greatest impact, including creating and implementing market-based social finance approaches. The Community Employment Loan program is one result of this unique approach.

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