



ACKNOWLEDGEMENT

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EXECUTIVE SUMMARY

The community sector in New Brunswick, consisting of over 2,500 registered charities and 4,400 non-profit organizations, plays a vital role in the province's social and economic landscape. Often known as the "third sector," it complements both the public and private sectors by providing essential services, fostering civic engagement, and addressing complex social issues.

In 2019, this sector employed over 55,000 individuals, accounting for 15% of the provincial labor 2 force, and contributed \$3.7 billion directly to the GDP, which is 12% of New Brunswick's total GDP. Additionally, volunteerism generated \$979 million in economic value. Despite its significant impact, the sector faces challenges such as financial instability, reliance on short-term grants, and limited capacity for innovation and scaling, which restrain its ability to meet the evolving needs of the community.

Social enterprises—revenue-generating initiatives or corporations operated by non-profit organizations—offer a powerful pathway to financial resilience and greater mission impact. Integrating social enterprise models within community organizations is increasingly recognized as an effective response to the sector's ongoing challenges. In New Brunswick, this approach is gaining traction as a strategic solution to systemic issues such as funding instability, service gaps, and limited capacity for innovation.

<u>Social Enterprise New Brunswick</u>, an initiative guided by the <u>Pond-Deshpande Centre at the University of New Brunswick</u> and funded by the <u>Economic and Social Inclusion Corporation (ESIC)</u>, is actively working to build the capacity of non-profits to launch and expand social enterprises. This initiative supported Pillar 1 (Income Security) of ESIC's Overcoming Poverty Together Plan 3 (2020–2025), focusing on increasing sustainability and reducing poverty through entrepreneurial approaches.

In Spring 2023, the Government of Canada launched the <u>Social Finance Fund (SFF)</u>, a \$755 million initiative aimed at accelerating the growth of the country's social finance market. As a cornerstone of the federal Social Innovation and Social Finance Strategy, the SFF is designed to improve access to affordable and flexible capital for charities, non-profits, social enterprises, co-operatives, and other social purpose organizations (SPOs). By providing repayable investment capital through national fund managers, the SFF supports the scaling of innovative, community-driven solutions to social and environmental challenges. This fund is particularly significant for regions like New Brunswick, where the community sector is actively transitioning toward social enterprise models.

Prior to the launch of the SFF, the Government of Canada had administered the Investment Readiness Program (IRP), which played a critical role in preparing social purpose organizations to access social finance. At the provincial level, the Economic and Social Inclusion Corporation (ESIC) has continued to build on this foundation through the **Social Economy Pilot Project, administered by CBDC Chaleur**, which currently serves as an analog to the federal IRP for New Brunswick.

To fully benefit from the social finance opportunity, it is critical that New Brunswick not miss the momentum created by the SFF. Other regions in Canada have demonstrated greater readiness to access and deploy social finance, underscoring the urgency for coordinated efforts in capacity-building, investment readiness, and ecosystem development within the province. Notably, New Brunswick is one of only two provinces in Canada that has never implemented a social enterprise strategy, and it remains the only province without an established non-profit secretariat—further highlighting the need for strategic action to close these structural gaps.

For example, Quebec has taken a leadership role by enacting the Social Economy Act (Bill 27), which formally recognizes the social economy as a distinct and vital component of its economic development strategy. In ESIC's Overcoming Poverty Together 4 (2025-2030), Pillar 16 is addressing this challenge: 'Develop and lead a taskforce model tailored to the needs of the non-profit sector in New Brunswick while focusing on sector strengthening. (Supporting the non-profit sector)'. A Non-Profit Advisory Committee was formally launched in September 2025, and one of the mandates is to: Recommend a provincial strategy for social enterprises and support the expansion of that ecosystem.

The convergence of these developments—SFF's momentum, ESIC's mandate, and the clear gaps in NB's current infrastructure—presents a once-in-a-generation window to act. With bold leadership, New Brunswick can, not only close the gap with other provinces, but also position itself as a model for how small jurisdictions can leverage social finance to drive inclusive growth, reduce poverty, and strengthen communities. The question now is not if New Brunswick should act, but how quickly it will seize this opportunity.

This report underscores the importance of social enterprises within the social, cultural, and economic fabric of New Brunswick. It presents research findings, recommendations, and impact measurement tools to better understand the present and future impacts of the sector. The report includes a five-year roadmap to chart a path towards further embedding social enterprises into the province's economic and social development frameworks. Finally, it suggests a governance model to catalyze, foster, and assess social enterprise strategy. Ultimately, this report works towards ensuring New Brunswick's charitable and non-profit sectors become more resilient, financially secure, and able to seize federal social enterprise opportunities.

BACKGROUND AND CONTEXT

New Brunswick's community sector—comprising over 2,500 registered charities and 4,400 non-profit organizations—is a foundational pillar of the province's social and economic fabric. Often referred to as the "third sector," it complements the public and private sectors by delivering essential services, fostering civic engagement, and addressing complex social challenges.

In 2019, the sector:

- Employed over 55,000 people, representing 15% of the provincial labor force.
- Generated **\$3.7 billion in direct GDP** contributions, equivalent to 12% of New Brunswick's total GDP.
- Mobilized **\$979 million in economic value t**hrough volunteerism alone.

Despite its scale and impact, the sector faces persistent challenges: financial instability, overreliance on short-term grants, and limited capacity to innovate or scale. These constraints hinder its ability to respond to growing and evolving community needs.

THE OPPORTUNITY: TRANSITIONING TO SOCIAL ENTERPRISE

Social enterprises—defined as revenue-generating projects or corporations operated by non-profit organizations—offer a powerful pathway to financial resilience and mission impact. In New Brunswick, this model is gaining traction as a strategic response to the systemic challenges facing the community sector, including funding instability, service gaps, and limited capacity for innovation.⁴

Social Enterprise New Brunswick, stewarded by the Pond-Deshpande Centre (PDC) and funded by the Economic and Social Inclusion Corporation (ESIC), is actively building the capacity of non-profits to launch and scale social enterprises. This work directly supported Pillar 1 (Income Security) of ESIC's Overcoming Poverty Together Plan 3 (2020–2025), focusing on increasing sustainability and reducing poverty through entrepreneurial approaches. As part of this work, PDC stewarded an **open letter calling for a social enterprise strategy in NB in 2024**, which garnered over 150 support signatures to date.

Mobilizing social enterprise presents a unique opportunity to:

- Generate unrestricted revenue to reinvest in community programs.
- Create inclusive employment pathways for equity-deserving populations.
- Deliver mission-aligned services that respond to local needs.
- Foster innovation and systems change by rethinking how non-profits generate and deploy resources.

With targeted support, New Brunswick's community sector can unlock new economic potential, reduce intergenerational poverty, and build a more inclusive and resilient province.



SURVEY AND REPORT SCOPE AND OBJECTIVES

This report is informed by the **2021** and **2024** Social Enterprise Survey results conducted by the Pond-Deshpande Centre, and aligned with the objectives of Overcoming Poverty Together 4 (OPT4)—New Brunswick's 2025–2030 Economic and Social Inclusion Plan. OPT4 emphasizes the need for collaborative, community-driven solutions that reduce poverty, promote equity, and build resilience across the province. It calls on government, business, and community sectors to work together to create inclusive economic opportunities and sustainable social supports.

In alignment with this vision, the survey and this report were designed to:

- Assess the current **awareness**, **understanding**, **and readiness** of community organizations to adopt social enterprise models.
- Identify **barriers and opportunities for transitionin**g from traditional non-profit structures to more sustainable, revenue-generating operations.
- Explore how social enterprise can contribute to inclusive employment, service innovation, and community wealth-building.
- Inform the development of policy, funding, and capacity-building strategies that support this transition.

The findings, recommendations, and impact measurement tools presented in this report aim to guide collective action across sectors. They provide a roadmap for how government, business, and community partners can co-create a thriving social enterprise ecosystem that better meets the needs of New Brunswickers—especially those facing poverty, exclusion, and systemic barriers.



FINDINGS AND OBSERVATIONS FROM THE SURVEY

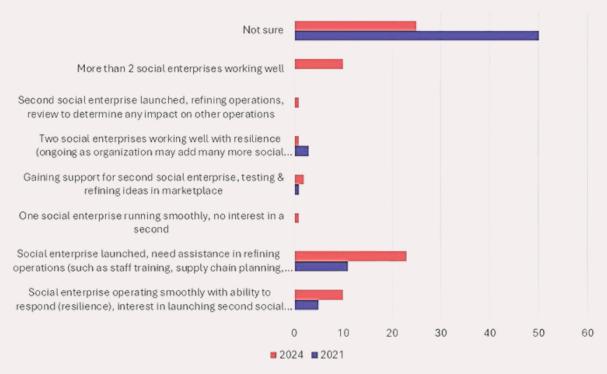
Findings from the survey revealed several important trends and insights, shedding light on the current state and future potential of social enterprises in New Brunswick. Key findings, from over 70 social enterprises in each survey (2021 & 2024), include:

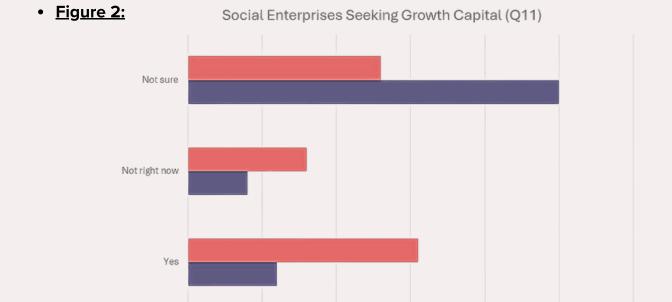
- The number of respondent organizations managing social enterprises increased from 2021 to 2024
- Respondents were at various stages of social enterprise development, from ideation to
 established operations. There was a notable increase in organizations at the idea
 stage in 2024 compared to 2021.
- Job creation within these enterprises ranged from 1 to 15 jobs, with a significant increase in 2024 over 2021.
- Interest in expanding social enterprises remained consistent between 2021 and 2024.
- More organizations were seeking growth capital in 2024 compared to 2021.
- There was an increased interest in equity financing in 2024 relative to 2021.
- Support needs included developing existing enterprises, launching new ones, and entering new markets, with a growth in respondents seeking to launch new social enterprises in 2024.
- An increased number of organizations **measured non-financial impacts** in 2024 compared to 2021.
- Readiness for social enterprise activities improved, with more organizations ready in 2024 compared to 2021.
- Commitment levels toward social enterprise activities increased, with more respondents committed in 2024.
- Board interest in operating a social enterprise grew significantly from 2021 to 2024.
- There was a **higher willingness to dedicate staff resources** to social enterprise activities in 2024 compared to 2021.
- Interest in funding to support social enterprise activities remained high and consistent between 2021 and 2024.

These findings underscore the growing momentum and readiness within New Brunswick's community sector to embrace social enterprise models. The increased interest and commitment observed across various indicators point to a promising future for social enterprises in driving inclusive economic growth and social innovation in the province.

SURVEY HIGHLIGHTS

• Figure 1: Stage of your social enterprise activities (Q7)





■ 2024 ■ 2021

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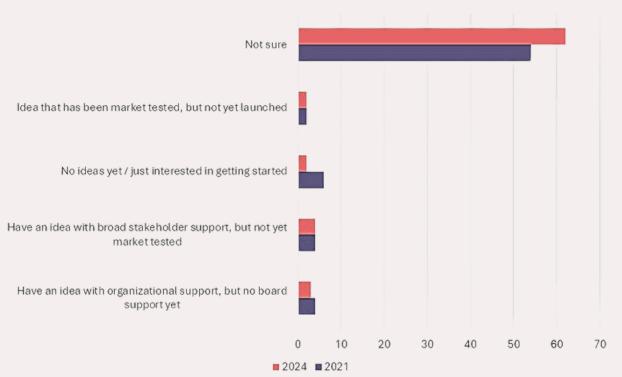
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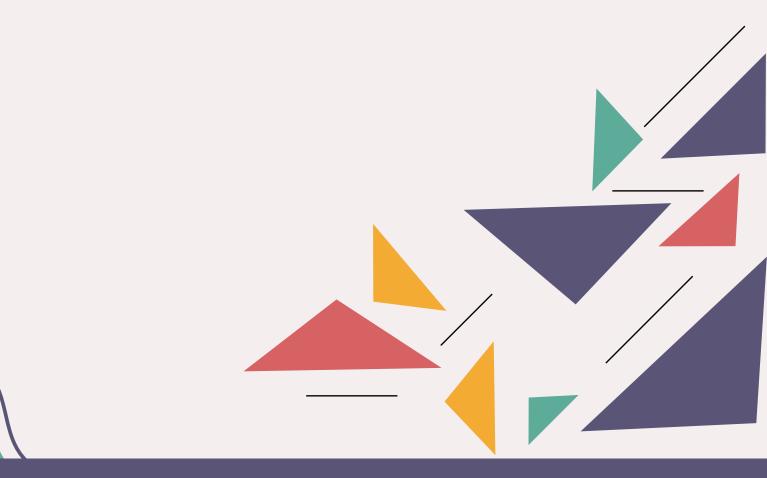
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SURVEY HIGHLIGHTS

• Figure 3: Social Enterprise Readiness (Q17)





RECOMMENDED GUIDING PRINCIPLES AND TRANSITION ROADMAP

As New Brunswick looks to the future, the transition of the community sector toward a more sustainable and inclusive social enterprise ecosystem represents a bold and necessary step towards **sector resilience and longevity**. This transformation is not just about financial sustainability—it is about reimagining how communities, governments, and businesses work together to create **lasting social and economic inclusion for all New Brunswickers**.

The launch of the Social Finance Fund marks a pivotal shift in how Canada supports its social purpose sector—from a focus on short-term grants to a model centered on long-term growth and sustainability. This evolution began with the Investment Readiness Program (IRP) - an investment of \$50 million from 2019-2021, which provided non-repayable grants to help charities, non-profits, and social enterprises build the internal capacity needed to access social finance. Through the IRP, organizations were able to develop business plans, conduct market research, and strengthen governance and impact measurement—critical steps in becoming investment-ready. The Social Finance Fund builds on this groundwork by offering repayable capital, enabling organizations to scale their impact through sustainable revenue-generating models. This transition reflects a broader recognition that social innovation requires not only funding, but also the tools and infrastructure to grow and thrive in a competitive, outcomes-driven environment.

This section outlines a **five-year roadmap (2025–2030)** that builds on the findings of this report and aligns with the goals of the Overcoming Poverty Together 4 strategy. It provides a phased approach to building capacity, scaling innovation, and embedding social enterprise into the province's economic and social development frameworks.

GUIDING PRINCIPLES

To ensure this transition is effective, inclusive, and sustainable, the following principles should guide all actions:

• **Equity and Inclusion**: Prioritize the voices and leadership of equity-deserving groups— 2SLGBTQIA+ youth, those who are racialized, Indigenous communities, newcomers, people with disabilities, Francophones, and rural populations—in all planning and implementation.

- Collaboration Across Sectors: Foster deep partnerships between government, business, and community organizations, recognizing that no single sector can solve complex challenges alone.
- **Community-Led Innovation**: Support place-based solutions that are designed and led by communities, reflecting local strengths, needs, and aspirations.
- **Outcomes-Driven Investment**: Shift from funding activities to investing in measurable outcomes that improve lives and reduce poverty.
- **Transparency and Learning**: Build shared measurement systems and feedback loops that promote accountability, continuous improvement, and knowledge sharing.
- **Environmental Sustainability**: Ensure that social enterprise development contributes to climate resilience and environmental stewardship.

TRANSITION ROADMAP

This roadmap is not a rigid plan—it is a **platform for collective action**. It invites all sectors to align their efforts, share resources, and co-create a future where social enterprise is a cornerstone of a resilient, inclusive New Brunswick.

YEAR 1: FOUNDATION BUILDING (2025–2026)

Objective: Establish shared vision, governance, and early pilots.

Government:

- Launch a **Social Enterprise Transition Task Force** within the newly launched Non-Profit Advisory Committee, with representatives from ESIC, Regional Service Commissions (RSCs), municipalities, Indigenous communities, and sector leaders.
- Fund a **provincial capacity-building program (\$500,000)** for non-profits to explore and pilot social enterprise models.
- Begin integrating social value criteria into public procurement policies.

Business:

- Establish a Business Champions for Social Enterprise Network (e.g., through BCAPI) to mentor and invest in early-stage ventures.
- Offer pro bono services (legal, marketing, finance) to social enterprises.

Community:

- **Identify and support early adopters** who are piloting inclusive, community-owned enterprises across New Brunswick.
- **Profile successful prototypes and pilots** to increase public and sector-wide understanding of the diverse types of capital—financial, social, human, and cultural—that can be mobilized to support social enterprises.
- Co-design solutions with equity-deserving groups, including 2SLGBTQIA+ youth, people who are racialized, newcomers, and Indigenous communities, to ensure that emerging social enterprises reflect lived experiences and community priorities.

Additionally, the Pond-Deshpande Centre will be hosting the 3rd annual Social Enterprise & Social Economy conference, planned for Moncton in June 2026. **Please sign up for the newsletter** to receive all updates about this event.

YEAR 2-3: RESEARCH & SCALING INNOVATION (2026-2028)

Objective: Build evidence and infrastructure to enable sustainable growth.

Government:

- Commission an independent study by an economic development third party (in partnership with ONB, NBIF, and community stakeholders) to assess gaps in social enterprise financing and supports likely in range of \$25,000 \$50,000.
- Expand outcomes-based budgeting and procurement across departments.
- **Support local and regional innovation labs** through RSCs and post-secondary institutions, such as the Community Incubator based in Moncton.

Business:

- Pilot inclusive employment partnerships with social enterprises.
- **Invest in community bonds or impact funds** targeting housing, food security, and green jobs.



Community:

- Scale successful pilots and form regional social enterprise networks through support of RSCs.
- Develop shared services platforms (e.g., back-office support, digital tools).

YEAR 3+: ACTION & CASE STUDIES (2027–2028)

Objective: Apply research insights to drive practical change.

Government:

- Use the study findings to design targeted funding and policy supports.
- Pilot innovative financing tools based on identified gaps.

Business & Community:

- **Conduct case studies** in both urban and rural contexts to test how financing, policy, and supports can accelerate social enterprise growth.
- Capture lessons learned to inform broader provincial strategies.

Why This Matters

- New Brunswick has thousands of registered non-profits, many of which face declining donations and rising demand. Social enterprise offers a pathway to financial resilience.
- Employment in the non-profit sector represents 15% of the labour force, comparable to the construction industry, yet social enterprises remain under-leveraged as economic engines.
- Rural NB communities are aging rapidly—nearly 23% of the province is over 65 making new local economic drivers and community-owned solutions essential for long-term sustainability.
- For government, strengthening the social enterprise ecosystem reduces long-term pressure on public services, creates new tax revenue streams through sustainable employment, and ensures that communities themselves are driving solutions to social challenges—shifting government's role from sole funder to strategic partner in building resilience.

By anchoring efforts in provincial capacity building, evidence-based research, and applied case studies, **New Brunswick can position itself as a national leader** in building a just and resilient economy.

GOVERNANCE, ENABLERS, AND MEASURING PROGRESS AND IMPACT

To ensure New Brunswick's community sector mobilizes a sustainable and inclusive social enterprise ecosystem, a coordinated and well-governed approach is essential. This section outlines the governance structure, enabling conditions, and measurement strategies required to drive and sustain impact over the next five years.

GOVERNANCE: THE ROLE OF THE SOCIAL ENTERPRISE TRANSITION TASK FORCE

Under Pillar 16 of the Overcoming Poverty Together Plan 4 (OPT4), an advisory committee has been created to strengthen New Brunswick's non-profit sector. A dedicated Social Enterprise Task Force should be embedded. This task force would:

- **Provide strategic oversight and policy alignment** to guide the province's transition toward a sustainable social enterprise ecosystem.
- Facilitate cross-sector collaboration and resource mobilization, ensuring coordinated efforts across regions and communities.
- Monitor progress and ensure accountability, using clear metrics and transparent reporting.
- Champion inclusive, community-led innovation, with a focus on equity-deserving groups and community-owned enterprise models.
- **Profile early adopters and successful pilots** to build understanding of social enterprise models and the diverse types of capital they leverage.

To ensure local relevance and responsiveness, the Task Force should be supported by **regional working groups and learning hubs**, which can serve as platforms for co-design, peer learning, and capacity-building.



CROSS-CUTTING ENABLERS FOR SUCCESS

To foster a resilient and inclusive social enterprise ecosystem, several enablers must be integrated across all levels of implementation:

- **Shared Measurement Framework**: Align indicators across sectors to track progress and outcomes consistently.
- **Digital Infrastructure**: Invest in platforms for collaboration, data sharing, and storytelling to enhance transparency and learning.
- **Leadership Development**: Train a new generation of social enterprise leaders through institutions like UNB, STU, Université de Moncton, and NBCC.
- **Policy Co-Design**: Ensure that people with lived experience are meaningfully involved in shaping policies, programs, and evaluation frameworks.

MEASURING PROGRESS AND IMPACT

The Task Force should lead a **robust, transparent, and collaborative approach to monitoring, evaluation, and learning (MEL)**, aligned with the goals of Overcoming Poverty Together 4 (OPT4). It would create and disseminate:

Shared Measurement Framework:

- Align with OPT4's pillars (e.g., income security, inclusive employment, housing stability).
- Address systemic barriers to inclusion and economic participation.
- Include both **quantitative metrics** (e.g., number of social enterprises, jobs created) and **qualitative insights** (e.g., lived experience narratives, community trust).

Tiered Evaluation Model:

Track progress at multiple levels:

- Outputs: Activities and reach (e.g., enterprises launched, people trained).
- Outcomes: Short- to medium-term changes (e.g., increased employment, reduced grant dependency).
- **Impact**: Long-term systemic change (e.g., reduced intergenerational poverty, improved wellbeing).

MEASURING PROGRESS AND IMPACT

Social Return on Investment (SROI) model to:

- Quantify the social and economic value created.
- Compare value generated to investment made.
- Inform funding decisions and policy development.

Regional Learning and Evaluation Hubs:

Partner with institutions such as UNB's McKenna Institute and the Pond-Deshpande Centre to:

- Collect and analyze data.
- Facilitate peer learning and storytelling.
- Support continuous improvement and innovation.

Annual Social Enterprise Impact Report:

Led by the Task Force, this report should:

- Track progress against roadmap milestones.
- Highlight success stories and lessons learned.
- Include community scorecards and lived experience feedback.
- Inform public policy, funding, and private sector engagement.

Feedback Loops and Adaptive Learning:

- Use real-time data dashboards to monitor progress.
- Convene quarterly cross-sector roundtables to review findings and adapt strategies.
- Ensure community accountability through participatory evaluation and public reporting.



CONCLUSION

New Brunswick stands at a turning point in how it sustains its community sector and addresses long-standing social and economic challenges. While the province has a strong tradition of civic engagement through charities and non-profits, these organizations are increasingly constrained by unstable funding and limited capacity to innovate. At the same time, national initiatives like the Social Finance Fund are reshaping how social purpose organizations across Canada access capital and scale their impact.

Social enterprise offers a practical and forward-looking solution. By combining entrepreneurial approaches with community-driven missions, social enterprises generate revenue while tackling poverty, exclusion, and systemic barriers. Across Canada, this model is proving effective in creating inclusive jobs, stabilizing organizations, and unlocking new forms of investment. In New Brunswick, early examples show the potential for meaningful impact, however, the province lags behind other regions in building the structures needed to fully capitalize on this opportunity.

This report positions social enterprise not only as a response to immediate sectoral challenges but also as a pathway to broader systems change. It highlights the momentum within the community sector, identifies the readiness of organizations to transition, and underscores the importance of aligning policy, funding, and capacity-building to accelerate progress. The findings point to a clear conclusion: without coordinated action, New Brunswick risks missing a critical moment to transform how social and economic inclusion are achieved.

The time is right to act. A stronger ecosystem for social enterprise will ensure community organizations are not just surviving but thriving—building resilience, advancing equity, and contributing to a more inclusive and sustainable provincial economy.



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