Acknowledgements

This report is the result of a partnership between the Centre for Social Innovation (CSI) and the Mowat Centre. The authors would like to thank CSI for their work on the collection and analysis of the data discussed in this report and for their comments on earlier drafts. Thanks in particularly to Tonya Surman, Karine Jaouich, Kevin Hurley and Timna Ben-Ari. We would also like to thank the members of CSI who participated in the survey, and those who gave of their time for the focus group session and the one-on-one case study interviews. Your willingness to share your personal stories and the successes and the hardships of your journey as social entrepreneurs inspired many of the insights woven into this report. We would also like to thank the Northern Policy Institute (NPI) for the opportunity to present our initial findings at the Basic Income Guarantee (BIG) conference in October 2016 in Sudbury. The feedback offered by conference participants provided critical direction for additional data analysis and new insights.

Additionally, we would like to thank John Stapleton (Open Policy Ontario), Dr. Evelyn Forget (Rady School of Medicine at the University of Manitoba), and Kelsey Spitz (Social Innovation Generation (SIG)) for reviewing earlier drafts of this report. At Mowat, we would like to thank Bill Forward, Sunil Johal, Lisa Lalande, Scott Perchall, Erich Hartmann, Reuven Schlozberg and Jamie Van Ymeren for contributing their keen insights. We would also like to extend a big thank you to Elaine Stam for her design work and for bringing the report’s data to life. All content and any remaining errors are the sole responsibility of the authors.

Authors

MICHAEL CRAWFORD URBAN

Michael Crawford Urban is a Policy Associate at the Mowat Centre. He holds a doctorate and master’s in International Relations from Balliol College, University of Oxford as well as degrees from the Norman Paterson School of International Affairs at Carleton University and Queen’s University. Prior to joining Mowat, he worked for Elections Canada as a Returning Officer, Oxford Analytica – a global analysis and advisory firm – and at Global Affairs Canada in the department’s Policy Research Division.

CHRISTINE YIP

Christine worked as a policy associate at the Mowat Centre from November 2015 to January 2017. She holds a Masters in Industrial and Organizational Psychology from the University of Guelph and a Masters in Social Policy and Planning from the London School of Economics. Christine has worked as a consultant across the not-for-profit, public and private sectors specializing in improving organizational effectiveness and managing complex change initiatives.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>1</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>1 Introduction</td>
<td>6</td>
</tr>
<tr>
<td>2 Basic Income and the Social Mission Ecosystem</td>
<td>10</td>
</tr>
<tr>
<td>Objectives of a Basic Income</td>
<td>10</td>
</tr>
<tr>
<td>The Roles of Social Entrepreneurs</td>
<td>14</td>
</tr>
<tr>
<td>The Potential Impact of a Basic Income on Social Entrepreneurship</td>
<td>15</td>
</tr>
<tr>
<td>3 A Social Entrepreneurship Snapshot of Toronto</td>
<td>17</td>
</tr>
<tr>
<td>Demographic Characteristics</td>
<td>17</td>
</tr>
<tr>
<td>Income and Benefits</td>
<td>20</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>24</td>
</tr>
<tr>
<td>Corporate Form</td>
<td>24</td>
</tr>
<tr>
<td>Working Hours</td>
<td>26</td>
</tr>
<tr>
<td>Stability of Work</td>
<td>27</td>
</tr>
<tr>
<td>4 How Could a Basic Income Impact Social Entrepreneurs?</td>
<td>29</td>
</tr>
<tr>
<td>CREATE: Reducing Barriers of Entry to Social Entrepreneurship</td>
<td>30</td>
</tr>
<tr>
<td>BUILD: Improving the Capacity of Social Entrepreneurs and Their Organizations</td>
<td>31</td>
</tr>
<tr>
<td>THRIVE: Improving the Well-being and Quality of Life of Social Entrepreneurs</td>
<td>34</td>
</tr>
<tr>
<td>Additional Considerations</td>
<td>39</td>
</tr>
<tr>
<td>5 The Way Forward</td>
<td>45</td>
</tr>
<tr>
<td>6 Conclusion</td>
<td>47</td>
</tr>
<tr>
<td>Appendix A: Survey Questions</td>
<td>49</td>
</tr>
<tr>
<td>Appendix B: Pre-Focus Group Questionnaire &amp; Guidelines</td>
<td>59</td>
</tr>
<tr>
<td>Appendix C: Case Study Interview Guidelines</td>
<td>62</td>
</tr>
</tbody>
</table>
A strategic investment in basic income is a promising direction that will position Ontario as a global leader in social innovation.
FOREWORD

Many social entrepreneurs face a major challenge in the early days of a new enterprise: finding the money they need to feed themselves and pay the rent. During that stage, when we are still trying to figure things out, test our ideas and see where the traction is, we often have to rely on our partners, parents or poverty to make it through. Many of us don’t have those supports. As a result, many of our ideas never make it through the ideation stage.

That’s why I have become obsessed with the idea of a basic income. I think that it could help de-risk social entrepreneurship for the people who most need to be social entrepreneurs!

What if the people who were most at risk – people from low income and marginalized communities who are living day to day with real challenges – were able to become social entrepreneurs? What if they could focus on using their experience to address those challenges in a concrete and meaningful way?

Yes, they might start as volunteers. Yes, it might take them time to evolve a business model and an impact strategy. But then... watch out! With the right support, these are the folks who will unlock meaningful work for people, create vibrant communities and solve intractable problems. Ultimately, they will even help save public money.

This potential is what led the Centre for Social Innovation to undertake an in-depth demographic survey of our members as a part of the work of our Inclusion, Diversity, Equity and Accessibility committee. The results have informed our partnership with the Mowat Centre to better understand how a basic income could unlock the potential of social entrepreneurship to make the world a better place.

We now have evidence that shows that social entrepreneurship is a viable profession that creates meaningful work and a solid income. But we also see that these successes are preceded by periods of precarity. Basic income could be transformative.

The numbers are compelling. Social businesses create 126 jobs for every 94 jobs that a regular business creates. That’s why we are convinced that a strategic investment in basic income, with ancillary supports from social mission intermediaries, is a promising direction that will position Ontario as a global leader in social innovation.
I am delighted to share some of the results of our survey, and support the Mowat Centre’s efforts to understand the experiences of social entrepreneurs on the front lines. My hope is that our partnership has helped to lay the foundation for a clear and compelling case for how basic income could further unlock the potential of social entrepreneurship in Ontario.

Tonya Surman
CEO, Centre for Social Innovation (CSI)
EXECUTIVE SUMMARY

The purpose of this report is to explore the potential impact of a basic income on social entrepreneurship. It builds on recent discussions concerned with how a basic income could stimulate more innovation and entrepreneurship, but restricts its focus to the more specific question of what the potential impact of a basic income on social innovation and social entrepreneurship might be. In so doing, it brings together two important ideas whose proponents share similar sets of objectives and whose combination could potentially yield transformative social and economic results.

The report draws on data collected through a collaborative research project conducted by the Centre for Social Innovation (CSI) and the Mowat Centre in 2016. Through an online survey of CSI’s membership, supplemented with a focus group session and individual case study interviews, the Mowat Centre sought to gain a more detailed understanding from some of those on the “front lines” of social entrepreneurship in Toronto regarding how they may be affected, positively and negatively, by a basic income. While a research design of this nature does limit the generalizability of our findings, the in-depth focus it enabled has yielded a qualitatively rich set of data that simultaneously offers important insights for the basic income discussion and provides a foundation for the generation of hypotheses and further research.

Specifically, the results of the online survey yielded a more nuanced picture of social entrepreneurship than is often described. While social entrepreneurship is certainly a field often characterized by altruistic sacrifice, many respondents reported satisfaction with their careers, were reasonably well-remunerated, and possessed strong family support systems. For a minority of low income social entrepreneurs, however, the situation is quite different. For example, in addition to facing greater financial insecurity, these individuals spend more time on work outside of their primary social mission work and are more likely to be dissatisfied with the limited hours they are able to spend on their social projects. This and other similar findings suggest that a lack of resources can create important barriers to entry and growth in social entrepreneurship for lower income individuals.

Building on an analysis of these and other new findings, as well as insights gleaned from existing research, this report outlines a model for understanding how a basic income could impact the work of social entrepreneurs. This model maps out three pathways through which a basic income could have a positive impact. Each of these pathways comprises a series of related hypotheses which will ideally help to frame and advance a new research agenda on this topic.
Specifically, we see a basic income potentially:

» Reducing barriers to entry into social entrepreneurship, thereby helping create a more diverse and representative social entrepreneurship community.

» Enabling social entrepreneurs to build their organizations and their own capacities by adding to and improving their skill sets.

» Helping to protect social entrepreneurs against illness and provide the psychological space required for social innovation to occur by reducing individuals’ financial stress and anxiety.

In addition to the positive impacts, this report also highlights some potential risks a basic income might pose for social entrepreneurs, such as increased pressure on existing support structures. The report points to the important role that this ecosystem, and the intermediary and affiliated organizations that populate it, can play in mitigating these risks. It also points out that while increased investment, funding, and capacity-building opportunities are important, improving the ways we measure social and economic impact will also be important to realizing the potential benefits of a basic income, should one be implemented.

This report contributes to an important conversation focused on basic income that is currently occurring in Ontario and elsewhere as governments are considering, developing and launching basic income pilot projects. The findings and analysis of this report highlight several important connections between the objectives of a basic income and the work that social entrepreneurs are already doing. In particular, they illuminate a potential “multiplier effect” whereby a basic income would not only directly improve the lives of the social entrepreneurs receiving it, but could also generate important second-order benefits by increasing the social impact of their initiatives. In other words, a basic income offers the possibility of not only directly benefitting recipients, but also of supporting additional activity that could contribute significantly to the advancement of governments’ wider social policy objectives.

These various points of possible intersection and potential connections serve to underline the importance of coming to a better understanding of how a basic income could influence the livelihoods and successes of social entrepreneurs. They also highlight the importance of incorporating social entrepreneurs and their work more fully into the basic income conversation.
In particular, perceptions of rising inequality and fears of structural mass unemployment brought on by advances in automation now feature prominently in basic income.
INTRODUCTION

In the future, 2017 might come to be seen as the moment when the concept of basic income broke new ground and “captured the imaginations of citizens all over the world.” With Finland launching a basic income experiment, the Government of Ontario deep in preparations for the launch of their own basic income pilot project, and media coverage of the subject swelling, it is clear that the idea of a basic income has re-entered public policy discussions with a level of energy not seen in years.

While not a new idea, much of this renewed interest in basic income has been driven by a set of emerging economic and social trends that many see as alarming. In particular, perceptions of rising inequality and fears of structural mass unemployment brought on by advances in automation now feature prominently in basic income discussions. One of the impacts of the appearance of these new concerns is that they have significantly expanded the basic income conversation.

One of the most interesting new ideas to have joined the conversation is the suggestion that basic income could act as a support for entrepreneurship and a spur for innovation. Unfortunately, analyses of the potential impact of a basic income on entrepreneurship have, to date, largely missed a critical aspect of this relationship, namely its potential impact on social innovation and entrepreneurship.

Given the unique potential for positive and productive interactions between social entrepreneurship and a basic income, a more focused consideration of the potential impact of a basic income on social entrepreneurship is overdue. We aim to help spark this discussion by framing this emerging research agenda and by reporting the results of some new primary research on the subject conducted in partnership with the Centre for Social Innovation (CSI) – a hub for social entrepreneurs with four locations in Toronto and one in New York City.

The paper begins by exploring the connections between a basic income and social entrepreneurship and by summarizing the highlights of the findings of our original research. Next, we provide an analysis of the potential impact of a basic income on social entrepreneurship. We see three pathways through which a basic income could have an impact, namely by:

» Reducing barriers to entry into social entrepreneurship, thereby helping create a more diverse and representative social entrepreneurship community.

» Enabling social entrepreneurs to build their organizations and their own capacities by adding to and improving their skill sets.

» Helping to protect social entrepreneurs against illness and provide the psychological space required for social innovation to occur by reducing individuals’ financial stress and anxiety.

Each of these pathways comprises a series of related hypotheses which we have developed through analysis of the data collected in our survey, focus group, and case study interviews as well as our engagement with the existing basic income and social entrepreneurship literatures.

Combined, these hypotheses offer a possible framework according to which a new research agenda on the potential impact of a basic income on social entrepreneurship might advance.

While the focus of the paper is on social entrepreneurs at all stages of their work (ideation, formation, launch and growth), the majority of the hypotheses we have developed concern the earlier stages of the initiatives undertaken by social entrepreneurs. This does not necessarily mean that a basic income will not have important impacts for organizations at all stages of development, but it does provide an early suggestion that it is at these early stages that a basic income may have its greatest impact.

With Ontario and other governments developing or considering pilots, basic income discussions are gaining a new practical significance. This paper attempts to highlight a previously under-discussed phenomenon and group of individuals who could not only benefit from a basic income but, critically, could also help multiply its larger societal benefits. Government officials designing pilots or experiments ought to give the potential impact of a basic income on social entrepreneurship consideration during the design phase. They should also consider the amplifying effect of a thriving social mission ecosystem as a significant potential outcome of basic income worth integrating and measuring.
Our analysis is based on data collected through a survey, a focus group discussion, and three one-on-one case-study interviews.

The Survey

A survey was administered to 1473 members of CSI in August and September 2016 via email. 583 individuals responded, which represents a response rate of 40 per cent. The survey served a dual purpose: to provide data for this project, as well as for a broader diversity study being conducted by CSI. The analysis presented in this report includes only those respondents who self-identified as leaders of an initiative or group with a social mission or as independent consultants.

The decision to exclude individuals not leading an organization from our analysis was based on a combination of factors, the most important of which was a desire to focus as sharply as possible on the creation and application of social innovation which we define as the essential characteristic of social entrepreneurship. While it is true that the application of innovation is an important part of many staff members’ jobs, this is not always the case for staff members – even in organizations led by social entrepreneurs. In other words, while it is also true that some leaders of organizations who may aspire to apply innovation fail to do so in actuality, their objective is to do so, an objective they declare when they become members of CSI. The same cannot necessarily be said of staff.

Individuals who fit this description constituted about 60 per cent of the original 583 respondents, meaning that our final sample size was 351 – though this number varied slightly from question to question as not all respondents answered every question. The survey items can be found in Appendix A.

7 We used CSI membership as a proxy for being a social entrepreneur. CSI provides co-working space for “social innovators” who are “changing the world.” To become a member of CSI individuals are required to provide information on the social issue on which their work focuses and are asked to describe how their work is socially innovative. For more information, please see https://socialinnovation.org/membership/.
8 See definitions in Box 2. This decision was supported by the belief, for which we found support in our research, that the impact of a basic income would be sufficiently different in qualitatively significant ways for staff of social mission organizations compared to those leading them to justify this sharper focus. It is our belief that in excluding staff, we are able to draw stronger conclusions from our research, though we recognize that this decision simultaneously narrows the generalizability of our findings.
9 See footnote 7.
The Focus Group

In addition to the survey, we conducted a focus group discussion on August 17, 2016 with seven social entrepreneurs. Participants completed a pre-focus group questionnaire and were provided with the list of discussion questions beforehand. Both can be found in Appendix B.

Participants were all members of CSI and were individuals who were considered leaders of social mission initiatives. Participants were recruited by CSI’s leadership team with the goal of attracting a diverse group who varied across gender, age, organization size, focus, experience and growth stage. They also reflected the variation in corporate form that characterizes the organizations associated with CSI: one participant represented a for-profit initiative, one a not-for-profit, one a charity, one an unincorporated organization, two classified themselves as “Other” and one did not respond to this question.

Case Study Interviews

Three individual case study interviews were conducted between August 31 and September 7, 2016. The interviewees were selected by the authors from the list of social entrepreneurs originally recruited for the focus group. Interviews were conducted in person by the two authors. The interview questions can be found in Appendix C. These case study interviewees are profiled in Section 4.

Considerations for Interpreting the Data

One important limitation of the sample is that it was drawn from a specific community of social entrepreneurs, namely those who live in Toronto and pay the $30 monthly (minimum) CSI membership fee. The experiences of these individuals are not necessarily representative of social entrepreneurs active in smaller municipalities or in rural communities — or of those who might not have the resources needed, or otherwise choose not to become CSI members.10 Naturally, any hypotheses we generated through our analysis must be considered in this context.

Another important point to note is that while a sample of 351 is sizeable, the response rate for the survey was 40 per cent. Although we are not aware of any reasons to believe that those who responded to the survey were systematically different from those who did not, such a response rate could indicate some form of bias in the data collection process.11

Finally, all of our data was self-reported. The necessarily subjective nature of this data, and the limitations this imposes, were considered in our analysis. Accordingly, we also compared our data, where possible, with other data sources.

11 Approximately 50 individuals who are part of CSI’s Desk Exchange Community Animator (DECA) program – a program designed for individuals who are unable to pay CSI’s monthly membership fees – were advised not to complete this survey, and are thus not represented in our sample. For more information about the DECA program, see Box 4.
While policy discussions focused on basic income and social entrepreneurship have, to date, largely proceeded in isolation from each other, both concepts share common elements and have important potential points of interaction. These connections have become increasingly visible as precarious work and income inequality attract more attention and spark interest in how investments in basic income could work to advance the objectives of social entrepreneurship and vice versa.

Objectives of a Basic Income

Over time, advocates have identified an increasing number of ways that a basic income could help solve critical societal problems, including:

» **Reduction of poverty**, both through direct payments and by eliminating the obstacles to labour force participation created by the “welfare wall” – i.e. the high effective marginal tax rates that often apply to income earned in addition to income assistance.12

» **As a response to the rise of precarious work** and the dangerous mismatch that has emerged between the tools – such as unemployment insurance – previously used to support workers and the realities of the modern labour market.13

» **Improved health and social outcomes** associated with reduced financial stress for recipients and the possession of additional personal financial resources.14


» Reduction of inequalities in wealth and income, an objective that could be served by funding – and possibly administering – the program though a progressive tax system.15

» Increased individual freedom and dignity through empowering individuals and reducing the stigma attached to accessing government assistance.16

» Increased government efficiency through a reduced need for bureaucratic oversight and the consolidation of income assistance programs.17 Also, due to other expected benefits, a basic income could reduce financial pressures on government in healthcare and other areas.18

» Better recognition of the value of unpaid work, including unpaid domestic labour and caring work.19

» The spurring of entrepreneurship and innovation due to a basic income’s de-risking of these activities and through its provision of mechanisms that increase entrepreneurs’ likelihood of success.20

19 Forget, E. et al. Pilot lessons. pg. 8 and 22.
The concept of a Basic Income has seen many proposed forms – Minimum Guaranteed Income, Guaranteed Annual Income (GAI), Universal Basic Income (UBI), demogrant, Negative Income Tax (NIT), Unconditional Cash Transfer (UCT), and Citizen’s Income.

While this abundance of terms can be confusing, fundamentally they all describe an unconditional government payment for which all citizens are eligible, designed to ensure they are capable of meeting their basic needs. We will be referring to this definition when we use the term basic income in this paper.

While not burdened with as many competing terms as basic income, the challenge in defining social entrepreneurship lies in the subtle distinctions that exist between a host of competing definitions. In Ontario, debate about the appropriate definitions, distinctions, and use of these terms is still ongoing. Internationally, the meanings of these terms are also contested. For the purposes of this paper we will be using the following “working” definitions.

Social Entrepreneurship is understood as the application of social innovation – “the creation, development, adoption, integration or implementation of new concepts or practices” – to the delivery of social value. CSI further defines the delivery of social value as actions that put “people and planet first.”

---

Importantly, we recognize that this definition of social entrepreneurship is not universally shared. Nevertheless, it was selected as the basis for our analysis because of how it enjoys substantial support internationally in the academic literature while also capturing the activities of those who participated in our survey, all of whom have formally adhered to it through their membership in CSI.

**Social Entrepreneurs** should be understood as the individuals who practice social entrepreneurship. Social entrepreneurs can pursue their social mission through a variety of corporate forms including for-profit businesses, not-for-profit corporations, charitable corporations, and co-operatives, and at times even without a formal corporate structure.

**Social Mission Ecosystem** is the term we use to describe the broad system of stakeholders involved in work specifically aimed at producing a community benefit, as well as the organizational forms through which these stakeholders act. This group includes social entrepreneurs, traditional not-for-profit and charitable organizations, as well as other organizations with a social mission that are not necessarily defined by their application of innovation such as intermediaries like incubators and accelerators and funders, financers, enablers, partners, advocates and beneficiaries. Not all those who work in the social mission ecosystem are social entrepreneurs, but all social entrepreneurs work in the social mission ecosystem.

---


33 This definition builds on and extends the definition of a social enterprise ecosystem developed in McIsaac, E. and Moody, C. *The Social Enterprise Opportunity for Ontario*. Mowat NFP, 2013.
The Roles of Social Entrepreneurs

Social entrepreneurs, operating in the social mission ecosystem, can play any number of different roles, including:

» **Supporting the alleviation of poverty** across communities.\(^{36}\)

» **Providing opportunities for civil society groups** to help communities determine how best to meet their own needs outside the sometimes unresponsive bureaucratic structures of the state.\(^{37}\)

» **Leveraging a diversity of corporate forms** to facilitate innovative solutions and generate significant social and economic returns including job creation.\(^{38}\)

» **Reducing the cost for government** of promoting social inclusion while simultaneously expanding the social impacts of these efforts.\(^{39}\)

» **Creating meaningful job opportunities and career paths** that contribute significantly to the economic and social development of our communities.\(^{40}\)

---


The Potential Impact of a Basic Income on Social Entrepreneurship

Social entrepreneurs’ work has the potential to help increase the already significant social and economic impact that Ontario’s broader social mission ecosystem is currently making. This larger social mission ecosystem, which includes social entrepreneurs but also more traditional charitable and not-for-profit organizations, is an important part of the economy. Indeed, in 2012, the not-for-profit and charitable segments of this ecosystem generated $67 billion in revenues in Ontario. It is also a source of significant employment, with the not-for-profit sector employing 530,615 full time staff and 428,063 part time staff. Furthermore, these estimates are conservative, as they do not include social mission organizations that operate using for-profit business models – a framework leveraged by a growing number of social entrepreneurs. Overall, these figures demonstrate the size and importance of the social mission ecosystem and illustrate the significant opportunities that exist for social entrepreneurship to contribute to the broader social and economic development of our communities.

Despite the increased interest, investment, and recognition of the value of their work, social entrepreneurs still struggle to access sustainable funding or financing. This struggle is made more difficult by the challenges they face as they seek to align the corporate model of their social mission organization to funding models designed for either traditional entrepreneurs or traditional charities. Difficulties obtaining funding or financing ultimately limit the growth, sustainability and impact of many social entrepreneurs, while also placing many of those working in the social mission ecosystem in financially insecure conditions.

The overlap between the objectives of a basic income and the work that social entrepreneurs are engaged in clearly suggests that there is significant scope for the development of potentially positive and productive interactions between basic income and social entrepreneurship. The rest of this paper is devoted to exploring this potential relationship and how it might be optimized. To that end we conducted an initial study designed to better illuminate the experiences, motivations, challenges and successes that define the lives of many social entrepreneurs in Toronto by gathering data from some of the “front lines” of social entrepreneurship in that city. This data, and our analysis thereof, should help to open up a wider conversation around how a basic income could impact social entrepreneurship.

During our focus group session, social entrepreneurs highlighted the significant role family support played in subsidizing the long-term sustainability of their social mission work.
Despite growing interest in social entrepreneurship in Ontario, a clear picture of the conditions of social entrepreneurs’ working lives has only recently started to emerge. Indeed, many still hold simplistic assumptions about social entrepreneurs. For example, many believe that individuals who enter the social mission ecosystem are more “heroic” than those who do not because of how they are seen to be altruistically choosing to sacrifice secure or higher incomes and career progression in favour of pursuing a social mission.

The next section outlines the demographics, incomes, and working conditions of the social entrepreneurs who participated in our research (see Box 1 for our methodology, its limitations and a description of our sample). While we did find evidence of altruism and self-sacrifice in our research, we also identified a number of socioeconomic conditions that may be playing a critical role in determining who becomes a social entrepreneur and who does not, the impact of which will be further analyzed in the next section.

Demographic Characteristics

Members of our sample were generally well-educated, between 26 and 45 years old, identified as White (European descent), had no children, and were living within a census or economic family unit when surveyed. Individuals with disabilities, made up 16 per cent of our sample which is similar to the 14 per cent of the Canadian population who live with a disability.

While it is not surprising that a sample working in downtown Toronto possesses this set of characteristics, there were some groups who were noticeably absent from our sample. For example, while approximately 47 per cent of Toronto’s population are visible minorities, 25 per cent of our sample identified as such. Individuals over the age of 65 and under the age of 25 were also underrepresented. Fourteen per cent of Toronto’s population is over 65 years of age, and 12 per cent is between 15 and 24. Three per cent of our sample were older than 65 and 5 per cent were younger than 25.

46 According to Statistics Canada, a census family refers to a married couple and the children, if any, of either or both spouses; a couple living common law and the children, if any, of either or both partners; or, a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. Statistics Canada. 21 April, 2015. Census Family. Standard Statistical Units. http://www.statcan.gc.ca/eng/concepts/definitions/c-fam. An economic family refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law or adoption. A couple may be of opposite or same sex. Foster children are included. Statistics Canada. 21 April, 2015. Economic Family. Standard Statistical Units. http://www.statcan.gc.ca/eng/concepts/definitions/famecon.


48 City of Toronto. 2016. Diversity. Toronto Facts. http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=dbe867b42d853410VgnVCM10000071d60f89RCRD. The term aboriginal was used in this survey instead of indigenous because this section of the survey employed the language used by the Canadian census.

WHO MAKES UP OUR SAMPLE?

- **Female**: 53%
- **Male**: 43%
- **Undergraduate degree or higher**: 85%
- **White (European Descent)**: 69%
- **26-45 years of age**: 63%
- **No children**: 59%
- **Living in an economic or census family unit**: 60%
- **Living with a disability**: 16%
Income and Benefits

In addition to demographic characteristics, respondents also answered questions about their income and healthcare coverage. The majority of our sample reported incomes in the middle to high income ranges, with 41 per cent of the sample earning between $30,000 to $75,000 a year before taxes, and 9 per cent earning more than $100,000. Twenty-three per cent of our sample earned less than $30,000, which is less than what the Canadian Centre for Policy Alternatives has identified as Toronto’s living wage ($18.52 per hour, or $36,114 annually).50

Sixty per cent of our sample indicated that they live within a census or economic family unit. While 46 per cent reported an annual family income above $100,000, 10 per cent reported a family income below $50,000. For reference, it is worth noting that in 2014, Statistics Canada’s low income cut off measurement for Toronto – one way of measuring the poverty line – stood at $30,286 (for a couple) and $45,206 (for a family of four).51

While we did not gather data that would enable us to understand the ways in which family income levels and individual income levels interacted to predict outcomes for social entrepreneurs, we were able to conduct an analysis to examine the relationship between these two income sources within our sample of social entrepreneurs. We found that approximately 38 per cent of our sample reported living in a census or economic family unit with a family income that is greater than their individual incomes. Among those reporting an individual income below $30,000 the corresponding figure is 44 per cent.

FIGURE 2
Individual Income Before Taxes

![Graph showing individual income before taxes.](image)

50 Tiessen, K. April 2015. Making Ends Meet: Toronto’s 2015 Living Wage. Canadian Centre for Policy Alternatives | Ontario. https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2015/04/CCPA-ON_Making_Ends_Meet.pdf pg. 5. This calculation assumes the wage earner to be a member of a family of two parents and two young children in which both parents work full time (37.5 hours per week, 52 weeks a year).

HOW FINANCIALLY SECURE IS OUR SAMPLE?

Individual Earnings

- 41% Earned between $30,000 - $75,000
- 23% Earned below $30,000
- 9% Earned above $100,000

Family Income

- 46% Family income above $100,000
- 10% Earned below $50,000
- 28% Earned above $150,000

Supplementary health coverage

- 46% COVERED
- 19% COVERED BY FAMILY MEMBER'S PLAN
- 49% NOT COVERED
- 17% NOT COVERED & OPT TO GO WITHOUT RATHER THAN PAY OUT OF POCKET
When taking both individual and family income into account, the picture of socioeconomic status shifts. Considered together, slightly less than 30 per cent of the sample reported an individual or family income above $100,000, compared to about 9 per cent when only individual incomes were taken into account.

Furthermore, when family and individual income are considered together, the percentage of social entrepreneurs living below our combined low income cut-off drops from 23 per cent to 17 per cent. For the remainder of the analysis, when we discuss low income social entrepreneurs, we will be discussing this group of individuals – i.e. low income individuals who are not members of a family or individuals who are members of a low income family – and will refer to them as truly low income.

It is important to note that individuals considered truly low income in our sample had slightly different characteristics than the broader sample. For example, the percentage of individuals who identify as a visible minority increases from 25 per cent to 40 per cent. Additionally, while only 3 per cent of the sample reported high school as their highest level of education, this number rose to 12 per cent for those considered truly low income.

For the purposes of this analysis we used self-reported individual annual income below $30,000 as the low income cut-off for individuals, which sits between Statistics Canada’s low income cut-off of $24,328 per year before taxes and CCPA’s living wage estimate of approximately $36,114 per year. For family income, we used self-reported annual income levels below $50,000 as the low income cut-off given that it sits between Statistics Canada’s low income cut-off for a family of four in Toronto of $45,206 per year, and the equivalent CCPA living wage annual family income of $72,228. For the purposes of this report, participants who reported both individual income and family income below our synthetic low income cut-offs for individual income and family income are designated as “truly low income” individuals. This means that participants who reported an individual income below $30,000 but a family income above the family income cut-off were not considered truly low income for the purposes of this research. For more information on the CCPA’s living wage estimate see Tiessen, K. April 2015. Making Ends Meet: Toronto’s 2015 Living Wage.
The Desk Exchange Community Animator (DECA) program provides a unique opportunity for social entrepreneurs to work eight hours a week at one of CSI’s welcome desks in exchange for access to CSI’s services and community supports without having to pay the monthly membership fee. It was launched as a means of providing the benefits of a CSI membership to individuals who might not otherwise have access to them and to allow them to leverage these benefits in pursuit of a social mission.

CSI currently has 49 individuals registered in the DECA program. While 50 per cent of them were working on a social mission project prior to joining the program, this proportion jumps to 76 per cent after joining DECA. Compared to our sample of social entrepreneurs, those in the DECA program are slightly younger, have a slightly lower level of educational attainment and have significantly lower individual and family incomes.

This data from CSI’s DECA program demonstrates that there is a group of social entrepreneurs in Toronto who struggle to access even the foundational resources and community supports provided by CSI membership. Although these individuals were not included in the main sample, they likely represent one of the groups that would benefit the most from the introduction of a basic income as they seek to advance their social mission work.
When examining the proportion of income that comes from our sample’s primary social mission work, there seem to be a couple of distinct clusters of social entrepreneurs that emerge around two specific profiles – those who earn 80-100 per cent of their income from their primary social mission work (41 per cent), and those who only earn 0-20 per cent (32 per cent), with an array of social entrepreneurs covering the range between the two. This pattern of distinct clusters of social entrepreneurs is one which recurs throughout our results (See Figure 5).

However, this pattern shifts when only truly low income individuals are examined. Only 23 per cent of truly low income individuals earn 80-100 per cent of their income from their social mission work, while 52 per cent earn between 0 to 20 per cent of their income from their primary social mission work (See Figure 5).

When it comes to supplementary healthcare coverage, family support plays a significant role. While about half of the sample has some sort of coverage and half do not, 38 per cent of those who do have coverage only have it through a family member’s plan.

For truly low income members of our sample, 66 per cent reported that they were not covered by a supplementary healthcare plan, compared to half of the broader sample. Moreover, while only 16 per cent of the larger sample reported going without supplementary healthcare, 25 per cent of truly low income individuals reported going without.

**Working Conditions**

Social entrepreneurs often work outside traditional occupational structures, a reality that results in significant variation in the number of hours worked, and the number of jobs held and projects engaged in. The next section aims to shed light on these conditions.

**Corporate Form**

The choice of corporate form has important implications for the availability of funding or financing and the sustainability of any social entrepreneur’s social mission work. For instance, a 2015 report on the state of Ontario’s social enterprises found that organizations registered as charitable and not-for-profit corporations have access to more diversified sources of funding or financing, including foundations and private donors, than those registered as for-profit organizations. At the same time, there are various government supports that are available only to for-profit organizations. Among the social entrepreneurs surveyed for this research, the majority were either incorporated as a for-profit organization (38 per cent) or not at all (30 per cent).

Truly low income social entrepreneurs were about as likely to choose incorporation as a for-profit as the larger sample (37 per cent as compared to 38 per cent), though they were more likely to not be incorporated (40 per cent as compared to 30 per cent in the larger sample). Often, a lack of...
WHAT ARE THE WORKING CONDITIONS OF OUR SAMPLE?

33% Lead an established social mission project or initiative

29% Lead an emerging social mission project or initiative

38% Independent consultants

38% Lead a for-profit corporation

24% Lead a charity or not-for-profit

30% Lead an unincorporated organization

45 Hours/week worked on average

32% Average proportion of hours worked outside primary social mission work

48% Work alone

16% Work in a partnership

22% Work in small teams of 3-5 people
incorporation indicates that a social entrepreneur is either in a very early stage of launching their initiative or, for whatever reason, has been unable to advance their initiative beyond this point.

Working Hours

The working life of a social entrepreneur is often understood to include long hours and working multiple part time jobs as social entrepreneurs work to sustain themselves while they launch their idea (see Figure 6) – a process that can take months and even years. Participants in the focus group somewhat supported this claim, with some participants agreeing that they do have additional jobs and that they do these jobs because they need to supplement their income. Some stated explicitly that if they had more financial security they would quit these additional jobs and focus more on their social mission work.

Results from our survey paint a more varied picture of the working lives of social entrepreneurs. On average, social entrepreneurs in our sample spent a combined total of 45 hours a week working on their primary social mission work and any “additional” work they did outside of their primary social mission work. While 80 per cent indicated that they do spend time working other jobs, 66 per cent of those who engaged in additional work reported that this work also had a social mission.

Social entrepreneurs who do additional work spend, on average, about 32 per cent of their working hours on this work, and 68 per cent of their time on their social mission work. However, this average hides differences within the sample: for example, social entrepreneurs who have been involved in their primary social mission longer spend less time on additional work (See Figure 6).

Unsurprisingly, the pattern is again different for truly low income members of our sample; they spend only about 63 per cent of their time on their social mission work, and 37 per cent on other work not related to their primary social mission work. Examining these numbers even more closely shows that truly low income entrepreneurs in our sample spend significantly less time on their primary social mission work in the early to middle stages of their time in the field, while the proportion of time spent on this work is higher for individuals who have been engaged in this work for five years or more.

Overall, over 50 per cent of the sample reported being satisfied with the amount of time they spend on their primary social mission work, with only 38 per cent indicating a desire to increase the time spent on this work. However, there is a marked difference in this finding for individuals with truly low income, with 63 per cent of truly low income individuals reporting a desire to spend more time on their primary social mission work.

FIGURE 6
Proportion of Work Time Spent on Primary Social Mission Work by Tenure as a Social Entrepreneur

Note: Percentages may not add up to 100 as survey participants who chose not to respond to this item are not included in the graph.
Stability of Work

When it comes to the stability of social entrepreneurs’ primary social mission work, we again see some clustering in our sample. One distinct group, making up 41 per cent of the sample, have been engaged in their primary social mission work for less than two years. Contrast this group with another cluster of individuals, making up 33 per cent of our sample, that have been engaged in their primary social mission work for 5 years or more.

Again, a significantly different picture emerges when one examines only truly low income social entrepreneurs. Compared to the overall sample, a larger proportion (47 per cent as compared to 41 per cent) of truly low income social entrepreneurs had been working on their initiative for less than two years while only 20 per cent (compared to 33 per cent in the larger sample) had been working on their initiative for 5 years or more (See Figure 7).

There are, however, some aspects of our sample’s experience which this data is not able to illuminate. It is difficult, for instance, to say whether the decreasing proportion of truly low income social entrepreneurs in later stages is due to truly low income individuals moving into higher income brackets as time goes on or due to these individuals simply exiting the field – perhaps due to a lack of resources. However, during our focus group session, social entrepreneurs highlighted the significant role family support played in subsidizing the long-term sustainability of their social mission work. If this is true, it suggests that those without these supports – i.e. social entrepreneurs from low income backgrounds – may be less able to continue as social entrepreneurs as time goes on, thereby providing one possible explanation for the relatively lower numbers of truly low income social entrepreneurs with lengthier tenures in the field.

FIGURE 7
Proportion of the Sample by Tenure as a Social Entrepreneur

Note: Percentages may not add up to 100 as survey participants who chose not to respond to this item are not included in the graph.
A basic income represents a validation of every individual’s inherent worth and, by extension, a validation of and a support for their freedom to choose the life path that they see as most appropriate for them.
4 HOW COULD A BASIC INCOME IMPACT SOCIAL ENTREPRENEURS?

The demographic characteristics, socioeconomic factors, and working conditions outlined in the previous section paint a picture of a diverse field of individuals engaging in social mission work. This data contains several suggestive patterns, the meanings of which are explored in greater detail in this section.

Before beginning this analysis, however, there is one important overarching feature of the data worth highlighting in advance, namely, its tendency to cluster into two distinct groups. On the one hand, we repeatedly see a group of individuals for whom working as a social entrepreneur seems to provide a fulfilling and meaningful career with a reasonable level of financial compensation. This suggests that there are good news stories in this field that do not fit the stereotype of the struggling idealists who are constantly sacrificing themselves as they seek to do good work.

On the other hand, the data also seems to illuminate another cluster of individuals who really are struggling. These are the individuals we have classified as truly low income, that is, individuals with an income of less than $30,000 and a family income of less than $50,000. In addition to having a lower income than the average, a greater proportion of these individuals identify as a visible minority and possess, on average, a lower level of educational attainment.

This lower income group, comprising about 17 per cent of our sample, experiences social entrepreneurship in ways that are strikingly distinct from those with higher incomes. For instance, truly low income individuals spend more time on work outside of their primary social mission work than the sample average, while also expressing dissatisfaction with the limited hours they are able to spend on their primary social mission work at a higher rate than the sample as a whole. Overall, it seems likely that the opportunities available to these individuals to thrive as social entrepreneurs are disproportionately limited.

In this section, we build on these and other insights provided by this data. Taking existing research into account, our analysis has led us to formulate ten hypotheses for how a basic income could positively impact social entrepreneurship. While these hypotheses – or “mechanisms” as we have termed them – are based on analysis of our sample of social entrepreneurs, we believe that many of these mechanisms could have wider applicability in situations where similar environmental conditions prevail. Hopefully, further research based on data drawn from other contexts can help to establish the extent to which this is the case.
We have grouped these mechanisms into three “pathways” which focus on how a basic income could help to create social entrepreneurs, build the capacity of social entrepreneurs and their organizations, and better enable social entrepreneurs to thrive while delivering their social mission work.

**FIGURE 8**
Mapping a Basic Income’s Impact on Social Entrepreneurship

While the majority of our analysis focuses on the potential benefits of a basic income, we also highlight some of the unintended consequences and risks a basic income could pose for social entrepreneurship as well as the important role the social mission ecosystem could play in minimizing these risks and supporting the realization of the potential positive impacts of a basic income. As is discussed below, this ecosystem, which includes organizations and groups that support the growth and development of the ecosystem through funding, investment, research, capacity building, and community support, would almost certainly play a critical role in maximizing any benefit to social entrepreneurship that might flow from the introduction of a basic income.

Some might argue, however, that instead of helping social entrepreneurs to thrive, the very existence of a basic income could actually produce significant harm. This argument holds that by lessening the discipline of the market and of existing social mission funding and financing structures, a basic income would encourage some individuals who are unlikely to succeed as social entrepreneurs to give it a try when they ought not to. While we do consider aspects of this argument under the heading of “Potential Risks to Social Entrepreneurs” (see page 42) the focus of this paper is on the potential impacts of a basic income on social entrepreneurship, not whether the implementation of a basic income is a good or bad idea. Thus, we make no attempt at a comprehensive weighing of the potential pros and cons of a basic income for the sector and offer no conclusions about its ultimate desirability.
CREATE: Reducing Barriers of Entry to Social Entrepreneurship

The fact that respondents categorized as truly low income earned a smaller portion of their income from their primary social mission work, were more likely to be working longer hours in other jobs, and more likely to be dissatisfied with the amount of time they were able to devote to their primary social mission work reinforces the suggestion that barriers to becoming or remaining a social entrepreneur exist for underrepresented groups.

By providing all individuals, irrespective of their life circumstances, a degree of financial security, the introduction of a basic income could help to ameliorate this underrepresentation by de-risking social entrepreneurship as a career choice. While applicable to every demographic category, this mechanism is particularly important for those whose life circumstances have reduced their ability to absorb the potential downsides of risk-taking. This proposition is supported by the findings of our focus group which identified challenges such as debt, caregiving responsibilities or health complications’ as potential barriers to working as a social entrepreneur and likely contributed to the underrepresentation of these groups in our sample.

Finally, both the results of the survey and our focus group bolster the idea that many social entrepreneurs are currently able to work as social entrepreneurs because they are supported by a partner or other family member. This enables individuals who have such support to take the time required to make their projects successful, even if the early stages of these projects do not produce significant revenues. Such support is often not available to individuals from lower

1] A basic income could help to de-risk social entrepreneurship

The majority of our sample reported middle to high individual or family incomes, high levels of educational attainment, and that they did not have any children. While social entrepreneurs reporting lower individual or family income, lower levels of educational attainment, or having families with children accounted for a notable portion of our sample, they were underrepresented relative to the size of such groups in the general population.

Since it is unlikely that individuals from the latter groups have inherently lower levels of desire to pursue social entrepreneurship, it seems likely that individuals from these groups are discouraged from either becoming social entrepreneurs or shepherding their initiatives through early development stages at a greater rate than those who are more affluent, more educated, and less encumbered by family obligations. CSI’s membership fee does represent an obstacle that might help explain this divergence, though the relatively low cost of a basic membership ($30 per month) and the availability of the DECA program (see Box 4) likely mitigate this obstacle to some extent. Regardless, additional research on this question is clearly needed.

53 CSI’s membership fee does represent an obstacle that might help explain this divergence, though the relatively low cost of a basic membership ($30 per month) and the availability of the DECA program (see Box 4) likely mitigate this obstacle to some extent. Regardless, additional research on this question is clearly needed.

income families interested in building a career as a social entrepreneur, as many families need the earning power of both partners just to make ends meet. Thus, it seems likely that many low income individuals who might otherwise want to work as social entrepreneurs are currently not able to do so because they lack this sort of support.

By reducing the risks associated with social entrepreneurship, especially for those facing more challenging life circumstances, a basic income could also result in a larger proportion of the population having access to social entrepreneurship as a career option. In so doing, this would make it more probable that those most likely to be successful social entrepreneurs will at least consider the option.

2] A basic income could increase the perceived value of social mission work in society

There was a common sentiment in our focus group that despite the social, environmental and economic value of the work social entrepreneurs do, their work is often undervalued by society and by government. One social entrepreneur pointed out that social entrepreneurship is “underpaid work that is not considered a real job by the government.” The provision of a basic income could help change this perception by starting to alter the fundamental way in which society perceives the relationship between value and monetary compensation.

One way of conceptualizing a basic income is to see it as an entitlement owed to all in recognition of the inherent dignity possessed by every human being. When viewed as such, a basic income could partially de-link monetary compensation – and the social esteem it attracts – from the acts of labouring or owning capital. In this perspective, a basic income is understood as the due owed by society to its members, not as a payment earned by the recipient. In other words, a basic income could help to shift society from a system where an individual’s worth is determined by the amount of money they earn to one where individuals earn esteem through the ways they choose to use the money to which everyone is automatically entitled. When conceived in this way, a basic income represents a validation of every individual’s inherent worth and, by extension, a validation of and a support for their freedom to choose the life path that they see as most appropriate for them and the contributions they make to society in doing so.55

Naturally, given the likely limited nature of a basic income, the extent of such validation is also likely to be limited. Nevertheless, the principle is still an important one. For occupations such as social entrepreneurship and caring work — occupations that are arguably undervalued at the moment — the de-linking of value from monetary compensation could lead to increases in the perceived value of these occupations. In so doing, a basic income could also be expected to help reduce some of the negative social consequences that potential entrepreneurs fear and consequently encourage more individuals to join the field.

3] A basic income could open up opportunities to individuals from historically marginalized groups to become social entrepreneurs

As discussed earlier, individuals from historically marginalized groups were underrepresented in our sample, namely visible minorities and those aged 18-25 and over 65. Since these individuals’ tend disproportionately to be members of communities that are also often being served by social entrepreneurs, a basic income’s role

in decreasing the barriers to entry for these individuals could unlock a valuable source of community-led social innovation and benefits for these communities. This is an especially compelling point given that many of these communities, e.g. seniors, currently lack sufficient services and represent some of the fastest growing communities in Toronto (See Box 5).  

A basic income could help encourage more members from these communities to become social entrepreneurs through the two mechanisms already discussed. In so doing, however, a basic income could also trigger a third distinct mechanism as individuals who might previously have never considered becoming social entrepreneurs begin to see other members of their community active in this way. The power of such an example, where individuals from marginalized groups can become role models to their communities and demonstrate what was previously seen as impossible to be possible, should not be underestimated.

Kathy Kastner started her first social enterprise in 1989. She identified an opportunity to deliver healthcare information to patients in professionally produced videos presented in an accessible style without medical jargon. Using her credentials as a television reporter, she was able to attract sponsorship and negotiate a distribution deal that saw her videos shown on closed-circuit hospital television networks. Gradually, she expanded her business into television networks that distributed content to hospitals across North America.

After 15 years of successful operations in which she sought to balance the needs of her corporate sponsors with those of healthcare providers and patients, an increase in distribution fees and the rise of the Internet forced Kathy to make the difficult decision to wind up her business while it was still profitable.

“When asked about a basic income, the most immediate impact that Kathy identified would be the reduced anxiety over where her next rent payment would come from.”

Today, Kathy is working on a new initiative: a website she launched in 2011 that provides critical information for adult children helping their aging parents to make challenging decisions as they approach the end of life. Kathy developed this idea for a new venture during a time of personal financial freedom secured for her by the proceeds of her previous business’ success.

During the building of this new initiative, Kathy has taken on occasional contract work applying the social media skillset she has developed along the way. Although she recently won a “Dragons’ Den” style competition through the Women’s College Hospital and has secured Federal Innovation Grant funding, she continues to struggle to advance her enterprise and make a stable living from it.

When asked about a basic income, the most immediate impact that Kathy identified would be the reduced anxiety over where her next rent payment would come from. She also pointed out how it would allow her to invest more in her business, for example by contracting out technical tasks so she didn’t need to learn new skills and do the work herself. She felt this would allow her to push her business forward a lot faster. Nonetheless, Kathy didn’t think that a basic income of less than $20,000 a year would have a huge impact. She certainly wouldn’t turn the money down, but it wouldn’t change how she organized her business and her life until it reached that threshold.
BUILD: Improving the Capacity of Social Entrepreneurs and Their Organizations

While the first CREATE pathway outlined how a basic income could increase the number and diversity of social entrepreneurs, the second BUILD pathway focuses instead on four mechanisms through which a basic income could help increase the skills, capacity and effectiveness of social entrepreneurs and their organizations.

4] A basic income could provide critical “pre-seed” funding for early-stage social entrepreneurs

One of the difficulties social entrepreneurs face is their limited ability to access funding or financing to invest in their initiatives, especially in the early stages. All potential sources of funding are highly competitive and a social entrepreneur’s choice of corporate form inevitably makes their initiative ineligible for some sources of funding. For instance, for-profit enterprises cannot access funding from sources requiring charitable status while organizations with not-for-profit or charitable status cannot access small business supports or venture capital. At the same time, the choice of corporate form itself can be driven less by the inherent nature of a project than by situational factors. For example, we heard from our focus group that the fact that the majority of our sample operate using either a for-profit or unincorporated business model (these proportions are even higher for those reporting lower incomes) is at least partially due to the length of time and effort required to achieve charitable status.

As indicated by our survey results and our focus group participants, it seems quite likely that some social entrepreneurs abandon their initiatives before they even have a chance to test the viability of their ideas due to a lack of resources. Alternatively, some would-be social entrepreneurs simply do not have the funds required to develop an idea to the point where it would become attractive to more traditional funders. The fact that individuals with lower incomes seem to have shorter tenures as social entrepreneurs compared to those with higher incomes further supports this conclusion.

By providing some early funding that could help to alleviate these problems, a basic income could help improve social entrepreneurs’ ability to overcome critical early-stage obstacles of this variety.

5] A basic income could enable social entrepreneurs to devote more time and resources to their organizations

In our survey, a majority of respondents indicated that a basic income would allow them to devote more time to their primary social mission work. Some suggested that they would decrease the amount of time they spent on other unrelated work. Others said it would reduce their financial stress, leaving them better able to focus on the work they were passionate about. This would be especially important for truly low income social entrepreneurs, as they tend to spend more time on work outside their social mission than the sample average, while having a greater than average desire to spend more time on their social mission work than the sample average.

By enabling social entrepreneurs to focus on their primary social mission work more intensely, a basic income could reduce the time that it takes them to launch their ideas. Again, this would be especially impactful for truly low income individuals who seem to lose the most time in this way and who seem to be the most likely to leave social entrepreneurship when timelines lengthen.
Another way in which this mechanism might have an impact is by reducing social entrepreneurs’ reliance on current funding and financing systems, at least at early stages. This is potentially important as the burden imposed by this system was a common theme throughout our focus group and case interviews. One social entrepreneur highlighted how they “had to basically promise 75,000 hours of work for a $4,000 grant.” Another complained about the bias towards new projects in the granting system, something that requires a constant focus on creating new initiatives, when what they really need is money to pay for operating costs such as rent, employee salaries, or upgrades in IT infrastructure. By allowing them to rely less on systems such as these that do not align well with their initiatives, a basic income could greatly enhance social entrepreneurs’ abilities to advance towards their objectives.
Jonathan has been working as a social entrepreneur for two years. He is driven to improve environmental sustainability by closing what he calls the “experiential gap” that separates individuals from the social and environmental consequences of their actions.

After graduating with a master’s degree, Jonathan struggled to find a job, and found himself working a number of unpaid positions across a variety of environmentally-focused not-for-profits, before branching off and beginning to work on his own initiatives. Jonathan’s first project was to build a map of Toronto’s “green roofs” and to offer tours around the city explaining their benefits. Simultaneously, he also began the “Landfill Bin Project” which involved creating decals with a picture of a trash heap and the word “Landfill” on them. These decals, which fit exactly over the decals which identify public “Litter Bins”, were designed to help the public better understand the connection between the garbage they create and the landfills where it ends up.

Through these initiatives Jonathan was able to attract some sponsorship income. However, while he felt he was making a difference, he was not earning enough money to live on.

“There was something I saw that needed to be changed in Toronto, and I wanted to be the one to do it.”

Today, Jonathan has turned his focus to a new social enterprise; one he hopes will provide him with more financial independence by creating a product that can turn a profit: freeze-pops made using local sugar. Again, Jonathan’s aim is to close the experiential gap by helping people understand the benefits of eating local and supporting local farmers by making the experience a “delicious” one – all while making enough money to support himself.

Jonathan points to the key impact networks and communities like CSI have had on his journey, providing him opportunities to improve his products, connect with mentors, and establish a social network of like-minded individuals. Although he enjoys the benefits of working independently, he finds it difficult to balance his time between socially valuable and financially rewarding work.

If Jonathan was to receive a basic income, he would do less of the additional work that he is currently forced to do to earn income so that he could devote more time to his social entrepreneurship. Additionally, he would also spend more time on something he finds personally meaningful: volunteering. While he indicated a basic income under $10,000 wouldn’t have too much impact on how he lived his life, it would still give him the peace of mind that, “if things don’t work out, I could still be a healthy person.”
6] A basic income could provide social entrepreneurs greater opportunities to increase their skills and capacities to effectively manage their organizations

Focus group participants highlighted the importance for social entrepreneurs of having strong governance and planning skills and the ability to focus on and execute a plan. These points are echoed in other research that describes the complex environment social entrepreneurs have to navigate, which includes the demands of operating for-profit and not-for-profit businesses, responding to the needs of funders and investors while remaining responsive to the needs of the communities they serve.57

A basic income could support social entrepreneurs’ efforts to improve their skills and strengthen their capacity to innovate. This could include traditional education or skills training courses, or participating in more targeted and intensive skills-development conferences or workshops. Both options cost time and money and a lack of these resources often makes it difficult for social entrepreneurs to access them. Although a basic income’s potential impact on skills-development mechanisms has been highlighted for traditional entrepreneurs as well, this mechanism may be more impactful for social entrepreneurs given the more complicated circumstances they face and the relative scarcity of training specific to this field.

7] A basic income could enable social entrepreneurs, especially at early stages, to expand their organizations and create more jobs

Participants in our focus group clearly stated one of the main benefits of a basic income to their social mission organizations would be the increased ability it would give them to hire more staff – largely because it could free up some financial resources (because leaders of these organizations would be able to pay themselves less) and potentially allow more individuals to take a chance on less secure employment options. In so doing, a basic income could help create more jobs, something that is especially important in a field still characterized by many one-person operations. The ability to hire more staff could also help increase social entrepreneurs’ impacts, as many participants emphasized the importance of a good team to the success of their work – especially staff that complemented their own abilities by filling gaps in their skillsets.

Additionally, many focus group participants suggested that a basic income would also increase the number of volunteers and volunteer hours available to support their work. We heard how a basic income would likely increase the public’s freedom and flexibility to volunteer, but also how it would increase social entrepreneurs’ own ability to volunteer. While potentially positive, such a development might also pose some risks – a possibility we discuss below.

Ryan Dyment has been working as a social entrepreneur for four years, a job he began after leaving a successful but unsatisfying accounting career. He is now the leader of the Toronto Tool Library (TTL), a not-for-profit organization he started in 2013 that loans tools to community members for a small annual membership fee. Its mission is to “reduce the costs of improving and greening neighbourhoods, thereby transforming homes and community spaces into vibrant places that reflect a commitment to sustainability and environmental concern.” Today, TTL has four locations across Toronto, serves over 3,000 members with an inventory of over 6,000 tools and has made between 35,000 and 40,000 loans to date. The organization earns approximately $190,000 in revenues annually.

“Overall, he has found it difficult to access funds through the existing granting system.”

Although Ryan has applied for many grants, he has been forced to fund many of his initial milestones, such as renting his first location, out of his personal savings. Overall, he has found it difficult to access funds through the existing granting system. His biggest difficulties with the current system lie with the time it takes to complete applications, the lag time between applying and receiving grants, the boundary conditions placed on the grants, and the limits in eligibility imposed by his lack of charitable status. Although the opening of his second location was funded by a combination of government grants, community loans, and crowd-funding initiatives, Ryan still struggles to secure the funds needed to pay salaries, rent, and other operational costs.

Ryan’s vision for the tool library is not fully realized. He wants to expand his operations and impact while ensuring his staff is paid a living wage. With the introduction of a basic income, Ryan believes he would be able to hire more staff, reduce his administrative burden, and focus more on expansion while also spending a bit more time at home. Interestingly, he also suggested that a basic income would allow him to pay himself less, thereby increasing the resources available to the library. Finally, he suggests that the financial support a basic income would provide his staff would also reduce his stress and guilt over the low wages he is currently forced to pay them as they would have access to an additional source of income. Moreover, because it would effectively raise their pay, it might even make attracting skilled employees easier – one of his greatest challenges.
THRIVE: Improving the Well-being and Quality of Life of Social Entrepreneurs

Unpredictable work schedules, unplanned costs, and poor access to dependable revenue sources put many social entrepreneurs in a deeply insecure financial position. This situation can have significant negative effects on the well-being and quality of life for both individual social entrepreneurs and their families. Our research pointed towards a number of mechanisms through which a basic income could potentially improve social entrepreneurs’ well-being and overall quality of life, thereby increasing their ability to achieve their social impact goals.

A basic income could be a more effective way of ensuring social entrepreneurs who need social assistance get it

Although social entrepreneurs have access to a complicated patchwork of federal and provincial social assistance programs, our research suggests that the stigma associated with these programs dissuades many from making use of them. While one focus group participant was quick to state that social entrepreneurs “are not the type of people who use government welfare”, another reflected on a time when they considered accessing such a program and ultimately chose not to because of the shame they would feel. Others said that they felt that social assistance was meant to help people “take care of their kids” or to be used as a last resort, and that accessing it would feel like failure.

When asked about a basic income, one focus group participant indicated that because it would be provided to everyone, accessing it would not come with the same sense of shame.

Although some expressed discomfort with the basic income being provided without any conditions, others lauded the benefits of such an unconditional cash transfer, claiming that it would allow them the freedom to determine their own needs as well as the best way to meet them.

A basic income could ensure social entrepreneurs are protected against an unexpected loss in income

Because social entrepreneurs are often not engaged in a “standard employment relationship” with an employer, their access to income protection is limited while their exposure to precarious working conditions is high. Although employment insurance for entrepreneurs does exist, it is limited to entrepreneurs whose organizations have earned them an income of at least $6,000 in the previous year and who have been registered with the program for at least a year. Given that 52 per cent of our sample had been focused on their current social mission work for less than three years, many of them would likely be ineligible for this benefit. The introduction of a basic income would help to fill this and other similar gaps in the current social architecture and provide them with more reliable income protection than is currently available.

60 A standard employment relationship (SER) is defined as a full time job with benefits and a pension. Employees who lose such a job are, in principle, entitled to support through programs such as employment insurance. For a more comprehensive exploration of the concept of an SER, as well as a discussion of the rise of precarious work and the need for Canada’s social policies to better adapt to this changing labour market see Johal, S. and Thirgood, J. November 2016. Working Without a Net. Especially pg. 9.


A basic income could help reduce stress and improve the well-being of social entrepreneurs

The stress and anxiety created by the financial insecurity and instability of social entrepreneurship, as well as the isolation of working alone – a situation in which 48 per cent of our broader sample and 67 per cent of truly low income social entrepreneurs find themselves – can have serious implications for individuals’ psychological and physical well-being. For some, the pressures and emotionally demanding nature of working to help society’s most vulnerable, can add additional strains.62

With 50 per cent of our sample going without supplementary health insurance – and 65 per cent of truly low income social entrepreneurs in our sample doing so – a large proportion of our sample is especially vulnerable to mental and physical health challenges. By providing a level of financial security that could decrease the stress associated with meeting basic needs and by making it easier to access supplementary healthcare, a basic income could have a significant positive impact on social entrepreneur’s well-being and capacity.

Additional Considerations

While the introduction of a basic income could increase the quantity, capacity, and well-being of social entrepreneurs, it is important to note that its introduction could also produce some unanticipated consequences. This is not to say that these potential consequences will occur, or, even if they do, that a basic income should not be attempted. Rather, it is simply a suggestion that these consequences, and potential actions to alleviate them, ought to be a part of any basic income discussion.

In this section, we examine five of these considerations. They range from an examination of potential risks that a basic income might create for the social mission ecosystem, to steps that might need to be taken to maximize the positive impact of a basic income, to implications for future research and the design of Ontario’s basic income pilot project.

As was mentioned earlier, without further research and experimentation it is not possible to say whether the positive impacts of a basic income would outweigh the negative ones. As is discussed below, the introduction of a basic income could produce a number of impacts which could negatively impact social entrepreneurs. Recognizing these is critical, both for the purpose of designing experiments in such a way as to determine if these risks are in fact real ones as well as enabling policymakers to begin designing methods for minimizing these risks should a decision to move forward with a basic income be made. Whatever decision is ultimately reached, taking these additional considerations into account will help ensure that discussions of the potential impact of a basic income are more likely to yield conclusions that are both balanced and realistic.

POTENTIAL RISKS TO SOCIAL ENTREPRENEURS

1] A basic income could increase crowding within the social entrepreneurship community and encourage “zombie” initiatives to persist

If a basic income plays a role in de-risking social entrepreneurship by providing “pre-seed” funding for early-stage social entrepreneurs, we could see a significant increase in activity in the social mission ecosystem if a great number of new individuals decide to give social entrepreneurship a try. While positive at many levels, such a surge in activity could strain the ability of the current ecosystem to provide a sufficient level of support for social entrepreneurs and could result in increased competition for limited sources of funding, financing and other supports. Moreover, by lessening the role of the discipline currently provided by funders and by the market, a basic income might enable an increased number of “zombie” initiatives – i.e., well-intention but ultimately unproductive business models and innovations – to persist unhelpfully.

While increased competition within the ecosystem could potentially improve outcomes, for this competition to be effective in selecting only the best and most valuable ideas for advancement to the next stage of development, the market and granting processes would need to be capable of evaluating and differentiating between levels of quality. Given that there is already concern over the quality of existing metrics for measuring social impact, it may be difficult to effectively identify the most promising ideas and initiatives.

Additionally, many focus group participants credited the strong peer relationships within the community as a critical support for their and others’ success. Increased competition could also undermine this unique sense of camaraderie, thereby reducing opportunities to collaborate and provide support to one another and, by extension, harming the ecosystem’s output.

2] A basic income could influence the level of effort social entrepreneurs put into their social mission work

Some focus group participants suggested that a basic income could have a negative impact because it would reduce the effort social entrepreneurs put into their work. One individual pointed to the concept of “bootstrapping” and how the challenge of “making it on your own” is where they find their motivation. This individual suggested that if they were to receive money from the government this might reduce their motivation and by extension, their effort.

Conversely, many focus group participants stated that, although a basic income between $10,000 and $20,000 could help them meet operational costs, they were in fact motivated by a strong desire to expand and improve their organizations.

Indeed, one focus group participant went even further arguing that a basic income would spark in him a strong sense of duty to “earn” this money.
and that a basic income of that size would not be large enough to reduce their work effort. Indeed, one focus group participant went even further arguing that a basic income would spark in him a strong sense of duty to “earn” this money. They would not want to be “getting something for nothing.” This supports the contention noted earlier whereby some would see a basic income as recognition of individuals’ inherent worth by society and, as such, it would validate and maybe even encourage an increase in their contribution to society.

3] A basic income could limit social entrepreneurs’ access to training and peer networks

Reducing the dependency of social entrepreneurs on current funding and financing systems might lead to positive outcomes for some. For others, in particular those who rely on the accountability required by many funders and investors to help motivate and direct a baseline level of planning, measuring and other forms of administration in their work, this might lead to a decrease in effectiveness or productivity. This is an especially important risk for individuals at early stages of their projects who have little previous experience in these areas.

Additionally, focus group participants pointed to the positive impact of mentorship opportunities and other peer relationships that include an element of accountability – positive impacts that are often facilitated or supported by grant makers for early-stage applicants. A reduction in the need to rely on such systems might result in a reduction in access to these helpful nudges and other accountability mechanisms for some social entrepreneurs who are not even aware of what they are missing out on.

4] A basic income could enable and encourage an unhealthy reliance on low-wage and volunteer labour

Some argue that a basic income has the potential to strengthen workers’ bargaining position with employers. By providing all citizens with a basic income, workers might no longer be forced into accepting low-wage, low quality jobs just to survive. Over time, this argument holds, a basic income would force employers to improve job quality and wages in order to attract talent. Others, however, are concerned that a basic income could have an effect in the opposite direction. By providing everyone with sufficient resources to meet basic needs, a basic income threatens to fatally weaken the political case for a robust minimum wage and could also reduce employers’ incentives to pay decent wages.63 This debate is far from being resolved and will likely remain so until a jurisdiction-wide basic income is introduced somewhere for a sufficiently lengthy period of time to allow for the labour market to reach a new post-basic income equilibrium.64

Additionally, a basic income could potentially create a similar, and similarly problematic, conflict between workers and volunteers. If a basic income ends up creating a larger pool of volunteer labour as some have speculated, one could also see this large reserve of unpaid labour putting downward pressure on the wages of workers in the social mission ecosystem. Pushed far enough, such a dynamic could even reduce the number of paying jobs in the ecosystem overall.

5] The provision of a basic income could result in reductions in other sources of funding for the social mission ecosystem

While many see a basic income as a potential source for new additional funding for the social mission ecosystem, one could also see the provision of basic income being used as an excuse by funders – especially government – to actually reduce funding to the ecosystem overall. Indeed, the mechanisms described as potentially assisting social entrepreneurs to better achieve their objectives might even be used as justifications for doing so.

A basic income could have a significant positive impact on social entrepreneur’s well-being and capacity.

Such a reallocation of funds, instead of the overall increase that many within the ecosystem argue is needed, could be justified by government as a more efficient and impactful use of funds designed to support the social mission ecosystem. Other funders might make similar arguments and redirect funds previously directed at poverty alleviation initiatives to other areas on the understanding that a basic income had “solved” the problem of poverty.
CONSIDERATIONS FOR THE SOCIAL MISSION ECOSYSTEM

For social entrepreneurs, the introduction of a basic income could mean a more dependable source of support for their social mission work. It could mean more opportunities to invest in skills development, operational improvements, as well as in more staff. And it could mean a little less pressure every month to pay the bills and balance the costs of running a social mission organization with the basic needs required to live a dignified and healthy life.

Crucially, however, the benefits of a basic income to social entrepreneurship will also depend on how investors, funders, and intermediaries respond to these changes and manage the indirect consequences that may result. For the social entrepreneurship ecosystem to fully enjoy the potential benefits of a basic income, this ecosystem will need to proactively address both the problems already limiting its growth as well as a number of new complications which may arise. We have identified three such potential complications which we believe deserve attention.

1] The need for growth of investment and funding in the ecosystem

Currently, the lack of sufficient funding and financing at the earliest stages of an idea’s development represents one the most important limitations on the growth of social entrepreneurship in Canada. We’ve already discussed how the introduction of a basic income could alleviate this problem, especially by providing a source of pre-seed funding for social entrepreneurs and by helping to eliminate some of the barriers that discourage or block truly low income individuals from becoming social entrepreneurs. Overall, it seems likely that the introduction of a basic income could increase the number of social entrepreneurs.

It is important to note, however, that there are many stages to launching and operating a successful social mission organization on an ongoing basis. Existing funding and financing opportunities that support social entrepreneurs as they advance their initiatives from ideation to the growth stage will still be critically important. Indeed, the success of many social entrepreneurs currently derives partly from an ecosystem of supports that are specifically designed to help them progress from the initial stages of social entrepreneurship to more advanced ones. With a basic income potentially increasing the numbers of social entrepreneurs entering the ecosystem, these supports may need to be expanded.

2] Adoption of a common impact measurement practice

Social entrepreneurs’ ability to build their capacity and access funding and investment is currently limited by the unique challenges social entrepreneurs face in measuring, evaluating, and communicating the impact of their work. Not only do social entrepreneurs have the difficult task of distilling social impact and value creation into a set of “neatly communicated simple metrics”, they also lack a common framework, code of practice, or common language to communicate this impact. This not only makes it difficult to demonstrate value to investors and funders, but also to gauge for themselves whether their organization is having the impact they want, and where the opportunities for growth lie.

The development of a common measurement practice will not only help investors and funders make more informed decisions, but it could also help social entrepreneurs improve their own performance by helping them to use a basic income in a way that best furthers their objectives. In so doing, a common measurement practice could help social entrepreneurs enhance the sustainability of their initiatives and enable them to continually improve their services to meet the needs of the communities they serve.66

Such a practice must be flexible and take into account the significant differences between the various formats and vehicles through which social entrepreneurs seek to achieve their impact. Such a practice would include a statement of the theory of change to which an organization subscribes, ought to be calibrated to the specific stage of an organization’s development, should be developed through the engagement of stakeholders, and should contribute to good management of the organization.67

Ultimately, a common measurement practice could also help to support arguments justifying a basic income by helping to quantify its impact and position it as a government investment capable of paying significant dividends. While such a practice may not allow easy side-by-side comparisons of a single specific “impact indicator”, a standardized practice could go a long way to increasing comparability and thus improving the overall efficiency and effectiveness of the social mission ecosystem. Building a “backbone” organization to support the development and implementation of this practice, along with other important initiatives such as learning from international best practices and aligning members of the ecosystem around this practice will be critical to its success.68

3] The need for increased capacity of umbrella organizations and intermediaries

While a basic income would likely increase the number of social entrepreneurs and help fund further investments in capacity building, umbrella organizations and intermediaries would also have to be ready to respond to an increase in demand for their services. Such organizations will be critical to responding to the needs of individual social entrepreneurs as well as to the needs of the larger community. They will play a critical role in managing the risks associated with increases in crowding and competition within the community, supporting the adoption of a common measurement practice and undertaking community building initiatives that facilitate collaboration and cohesion among social entrepreneurs.

Naturally, these organizations have limited capacity. If the introduction of a basic income increases the number of social entrepreneurs entering the field but no additional funding or support for these ecosystem services is made available, the positive impact of a basic income will likely be limited. This is because many of these individuals will likely be unable to access this support when the existing ecosystem, which is designed to service the current number of social entrepreneurs, is suddenly faced with the much larger number of aspiring social entrepreneurs who may be encouraged by the existence of a basic income to join the field.

67 Lalande et al. October 2016. Unpacking Impact. pg. 15. See pages 16-17 for examples of attempts to craft such a common measurement practice.
68 Lalande et al. October 2016. Unpacking Impact. See section 5 of the report (pages 25-28) for a more in-depth exploration of the actions that will be needed to ensure success.
The initial findings presented in this study suggest that a basic income could positively impact the strength of social entrepreneurship. Indeed, our findings also suggest that the impact of a basic income on social entrepreneurship could represent an important part of the social and economic return of a basic income. Our research identified three pathways through which this impact could move. Specifically, a basic income could impact social entrepreneurship by:

» **Reducing barriers to entry** into social entrepreneurship, thereby helping create a more diverse and representative social entrepreneurship community.

» **Enabling social entrepreneurs** to build their organizations and their own capacities by adding to and improving their skill sets.

» **Helping to protect social entrepreneurs** against illness and provide the psychological space required for social innovation to occur by reducing individuals’ financial stress and anxiety.

Other research has already illuminated the significant contribution the social mission ecosystem makes to the social and economic development of our communities. Building on this research, we suggest that a stronger and more diverse pool of social entrepreneurs, equipped with the resources to enable the creation and implementation of socially innovative ideas, could help create a positive return for government’s investment in a basic income. While our research provided insight into how these mechanisms could operate, further research is needed to validate and build on these findings. This could be done in parallel to Ontario’s basic income pilot, or even integrated with the design of this pilot.

Earlier work by the Mowat Centre and CSI highlighted the importance of ensuring that any basic income pilot project in Ontario is designed so that it can reliably capture the impact of a basic income on entrepreneurship. We reiterate this point now in regards to social entrepreneurship. Because of its focus on improving social and environmental outcomes, as well as its overlap with many forms of work that are currently undervalued by the market, social entrepreneurship is likely to feel – and amplify – the impact of a basic income more than almost any other area.

Considering social entrepreneurs in the pilot design means ensuring that any pilot project incorporates a measurement and evaluation program that captures the unique working conditions, outcomes and social impacts of social entrepreneurs who are receiving a basic income. In Hugh Segal’s recent report, he suggests that the three-year pilot he has recommended would not likely yield impacts on
entrepreneurship, as individuals might not be willing to take the risk knowing there is a clear end date for the program.⁷⁰ As we heard in our research, however, social entrepreneurs’ objective is not to rely on a subsidy, but rather to become self-sufficient. Consequently, this limitation may not present as great a challenge as Segal suggests as a year or two of guaranteed funding may be all that a social entrepreneur sees themselves needing.

It seems that the critical difficulty many face is accessing funding to help get them started, not a lack of supports three years down the road. Thus, a basic income delivered over a three year period, as the Government of Ontario is currently proposing, is in many ways particularly well-suited for encouraging potential social entrepreneurs to make an attempt at turning their ideas into reality. As such, social entrepreneurship may well be one of the “most likely cases” in which a basic income could have an observable impact, thus making it a crucial dimension for those evaluating the pilot’s impact to examine.

Identifying and measuring the potential impact of a basic income on social entrepreneurship should be one of the pilot’s objectives. Given the unique effects a basic income may have on social entrepreneurs, doing so will require developing ways of measuring unpaid working hours in addition to paid working hours. This is important because doing so would not only capture the effects of a basic income on volunteerism, a potential outcome that was identified in our research, but could also provide insight into the impacts of a basic income on the unpaid working hours social entrepreneurs invest into the ideation phase of their social mission projects before their idea is sufficiently developed for it to start generating revenues.
In this report we have aimed to address the question of what the potential impact of a basic income on social entrepreneurship would be. This question is important not only because of the growing importance of entrepreneurship for the basic income debate, but also because of the potentially transformative impact a basic income could have on a group of individuals who are working towards objectives that are similar to those being set out for a basic income.

Given the limited existing research in this area, we took an exploratory approach focused on gathering data from some of the “front lines” of social entrepreneurship in Toronto. The data showed a more varied picture of social entrepreneurship than is often described. For the majority of those sampled, social entrepreneurship seems to provide a fulfilling career that offers a reasonable level of financial compensation.

For a minority of low income social entrepreneurs, however, the reality is much different. In order to support their social mission work, these individuals spend more time on other additional work and are more likely to be dissatisfied with the limited hours they are able to spend focused on their social mission work. This suggests that a lack of resources, along with several other obstacles we observed, can create important barriers to entry and growth in social entrepreneurship for individuals from lower income backgrounds.

By combining the new data generated by our research with existing research, we were able to identify a number of potential mechanisms through which a basic income could impact social entrepreneurs and their work. Specifically, we identified three distinct pathways through which a basic income can work to have a positive impact on social entrepreneurs.

The first outlines how a basic income could open the doors of social entrepreneurship to a larger and more diverse group of individuals by reducing barriers to entry into the field such as financial and social risks. The second pathway outlines how a basic income could provide opportunities for social entrepreneurs to improve their skills and their capacity to sustain and expand their social initiatives. Finally, the third pathway points to how the positive impact of a basic income on individuals’ financial security could help to protect against illness while also providing the psychological space required to generate the valuable innovations that represent social entrepreneurship’s unique added value.
We believe that all three of these pathways would be especially helpful to truly low income social entrepreneurs and would enable significant improvements in the representativeness of the social entrepreneurship community.

Although the impact of a basic income has significant positive potential for social entrepreneurship, we also highlighted a series of unintended potential consequences and risks that the implementation of a basic income poses. Many of these potential problems centre on a basic income's potential to increase the number of social entrepreneurs in a context where the capacity of the existing social mission ecosystem remains unchanged. Although many of these concerns could be alleviated by strengthening the existing ecosystem, we also suggested that some of the problems that already afflict the current system could be exacerbated by a basic income if new solutions were not found. The most important of these was the need to ensure that the likely addition of more social entrepreneurs does not reduce the efficiency of existing development pipelines, something that could be aided by the development of a rigorous common impact measurement practice and increased support for new and existing intermediaries.

This research has important implications for the continued progress of the basic income debate here in Ontario. It highlights the need to further understand not only how a basic income could influence the livelihoods and successes of social entrepreneurs, but also some of the ways in which social entrepreneurs could best be incorporated into a basic income pilot. Finally, it also lays the groundwork for understanding how a basic income’s support of social entrepreneurship may in fact create a multiplier that would help many basic income proponents, as well as government, better meet their overall objective of improved social outcomes. It is our hope that further research will test some of the ideas we’ve presented here and further expand this exciting new conversation within the larger basic income discussion.
APPENDIX A

The following outlines the survey questions distributed to the CSI membership community that were relevant to the present research study.

Membership Survey at CSI

Relationship to CSI

1. How many years have you been a member at CSI?
   - Fewer than 1
   - 1-2
   - 2-3
   - 3-4
   - More than 4
   - Prefer not to say

2. What best describes your relationship to CSI:
   - I lead an established organization that provides a program, networking, advocacy, education or other related work that works from CSI
   - I lead an emerging organization that provides a program, networking, advocacy, education or other related work that works from CSI
   - I am an independent consultant that works from CSI
   - I am a staff member of an organization that works for CSI
   - I am a staff member of an organization that does not work from CSI
   - Other: ________________________________

3. What is your organization or project’s legal structure?
   - Unincorporated
   - Registered Non-profit
   - Co-operative
   - For-profit
   - Blended Value (Benefit Corporation, LLLC, Flexible Purpose Corp.)
   - Public Sector
   - Collaborative (project or more than one organization with the same legal form)
   - Multi-sectoral (project or more than one organization with different legal form)
   - Registered Charitable Organization
4. How long have you been engaged in the work associated with your CSI membership?
☐ 0 to 1 year
☐ 1 to 2 years
☐ 2 to 3 years
☐ 3 to 4 years
☐ 5 to 7 years
☐ 8 to 10 years
☐ More than 10 years

5. How many people, besides yourself, are also employed in the organization that is associated with your CSI membership?
☐ 0
☐ 1
☐ 2
☐ 3
☐ 4
☐ 5 to 7
☐ 8 to 10
☐ More than 10

6. How many hours a week do you spend on work that is associated with your CSI membership?
☐ 0 - 9
☐ 10 - 19
☐ 20-29
☐ 30-39
☐ 40-49
☐ 50-59
☐ 60 or more
☐ Prefer not to say

7. If you do other work that is not associated with your CSI membership, how many hours a week do you work at these other jobs/projects/positions combined?
☐ 0 - 9
☐ 10 - 19
☐ 20-29
☐ 30-39
☐ 40-49
☐ 50-59
☐ 60 or more
☐ Prefer not to say
7a. Do you consider this other work to be work for a social good:
- Yes
- No
- Some of it is, some of it isn’t
- N/A

8. Would you prefer to be spending more or less time on the work that is associated with your CSI membership?
- More
- Less
- About the same
- Prefer not to say

Personal Information

9. What is your age?
- Under 25
- 26-35
- 36-45
- 46-55
- 56-65
- 65+
- Prefer not to say

10. What is your gender identity? Check all boxes that apply.
- Male
- Female
- Transgendered
- Other (please specify)
- Prefer not to say

11. What is your sexual orientation? Check all that apply.
- Bisexual
- Gay
- Lesbian
- Straight
- Queer
- Prefer not to say
- Other (please specify)
12. How do you describe your race or ethnic group? Check all boxes that apply.

Note: The categories below follow Statistics Canada, which identifies the ethnic and racial groups with the biggest populations. Therefore, there is an imbalance, as some groups have their own category (Chinese) while others (Iranian) are placed into a broader category (West Asian).

☐ Aboriginal (First Nations, Inuit, Metis)
☐ Arab
☐ Black
☐ Caribbean/ West Indies
☐ Chinese
☐ Filipino
☐ Japanese
☐ Korean
☐ Latin American
☐ South Asian (Indian, Pakistani, Sri Lankan, etc.)
☐ Southeast Asian (Vietnamese, Cambodian, Malaysian, Laotian, etc.)
☐ West Asian (Iranian, Afghan, etc.)
☐ White (European descent)
☐ Prefer not to say
☐ Other, please specify ______________________

13. What is/are the language(s) that you first learned at home in childhood and can still understand?

If you can no longer understand the first language learned, choose the second language learned. Pick all that apply:

☐ English
☐ French
☐ Italian
☐ Chinese (Mandarin, Cantonese, Other Chinese language)
☐ Spanish
☐ Panjabi (Punjabi)
☐ Tagalog (Pilipino, Filipino)
☐ Portuguese
☐ Arabic
☐ German
☐ Urdu
☐ Aboriginal language
☐ Prefer not to say
☐ Other, please specify ______________________
14. What religion, if any, do you identify with? Check all that apply.

- Buddhist
- Catholic, Roman Catholic
- Protestant
- Christian Orthodox
- Other Christian
- Hindu
- Jewish
- Muslim
- Sikh
- Spiritual but secular
- Wiccan/pagan
- No religion
- Prefer not to say
- Other, please specify ______________________

15. Do you have a disability?

According to Stats Canada, disability is defined as a long-term physical, mental, emotional/psychiatric or learning disability, which may result in a person experiencing disadvantage or encountering barriers to employment, public appointment or other opportunities for full participation in society.

- Yes
- No
- Prefer not to say

15a. If Yes, please pick all that apply:

- Mobility (e.g. body movement)
- Vision
- Hearing
- Speech
- Mental/ emotional health
- Learning or cognitive
- Other, please specify_______________
- Prefer not to say
Education

15. What is the highest level of education you have completed in Canada or the United States? Check all that apply.

☐ Not applicable because all of my education was completed outside Canada or the United States
☐ Grade school
☐ High school
☐ CEGEP (Quebec)
☐ College degree
☐ College diploma
☐ College certificate
☐ University undergraduate degree (3 years)
☐ University undergraduate degree (4 years)
☐ University Master’s Degree
☐ University PhD
☐ Other, please specify_________________
☐ Prefer not to say

16. What is the highest level of education you have completed outside of Canada or the United States?

☐ Not applicable because all of my education was completed inside Canada or the United States
☐ Grade school
☐ High school
☐ College degree
☐ College diploma
☐ College certificate
☐ University undergraduate degree (3 years)
☐ University undergraduate degree (4 years)
☐ University Master’s Degree
☐ University PhD
☐ Other, please specify_______________
☐ Prefer not to say
Finances and Employment

17. What is your approximate individual income annually, before taxes?
☐ $0-$9999
☐ $10,000-$18,499
☐ $18,500-$29,999
☐ $30,000-$49,000
☐ $50,000-$74,999
☐ $75,000-$99,999
☐ $100,000-$124,999
☐ $125,000 and up
☐ Prefer not to say

18. How much of your income comes from work that is associated with your CSI membership?
☐ 0 to 20%
☐ 21 to 40%
☐ 41 to 60%
☐ 61 to 80%
☐ 81 to 100%
☐ Prefer not to say

19. What is the main way that you pay for supplementary health care programs (dental, prescription drugs, etc.) for expenses not covered by OHIP? Check all that apply.
☐ I have a benefits plan from the organization that has a membership at CSI
☐ I have a benefits plan from another group benefit plan
☐ I have a family support/benefits plan
☐ I pay for supplemental health care out of pocket
☐ I go without supplementary health care
☐ Other
☐ Prefer not to say
Family Situation

20. In terms of your living arrangements, are your current living arrangements that of a census family or economic family as defined by Statistics Canada? (See Definitions section below for details.)
  □ Yes
  □ No
  □ Prefer not to say

20a. If yes, then what is your approximate household income annually, before taxes?
  □ $0-$24,999
  □ $25,000-$49,999
  □ $50,000-$74,999
  □ $75,000-$99,999
  □ $100,000-$124,999
  □ $125,000-$149,999
  □ $150,000-$174,999
  □ $175,000 and up

21. What is your marital status? Check all that apply.
  □ Single
  □ Never legally married
  □ Legally Married (and not separated)
  □ Separated, but still legally married
  □ Common-law
  □ Divorced
  □ Widowed
  □ Other, please specify____________
  □ Prefer not to say

22. What is your status regarding children? Check all that apply.
  □ No children, biological or adopted
  □ 2 parent family with at least one child biological or adopted
  □ Single parent with at least one child biological or adopted
  □ 2 parent simple step-family (at least one biological or adopted child from one parent)
  □ 2 parent complex step-family (including biological or adopted children from each parent; or at least one child of one parent plus at least one child from both parents)
  □ Other, please specific__________
  □ Prefer not to say
23. Do you have caregiving responsibilities for 1) someone with a long-term health condition or a physical or mental disability, or 2) someone with problems related to aging?

(This question also assumes you have provided help or care in the last 12 months, in alignment with Statistics Canada.)

- Yes
- No
- Prefer not to say

23a. If yes, please identify who you provided care or help to in the last 12 months. Check all the boxes that apply.

- Child of caregiver
- Parent of caregiver
- Grandparent of caregiver
- Other family member
- Friend, colleague or neighbor
- Prefer not to say
- Other_______________

30. Several governments, including the government of Ontario, are considering launching pilot programs to study the impact of a guaranteed annual income (GAI). A GAI would involve a small annual grant to all citizens, likely somewhere between $10,000 and $20,000. Where you to receive such a grant, how would this impact you and the work you do that is associated with your CSI membership?

__________________________________________________________________________________________________
__________________________________________________________________________________________________
Definitions
(Source: Statistics Canada)

Family

A family is a social unit consisting of members who are related to each other by blood, marriage, common-law relationship, or adoption.

The concept of family is broad and can be defined in a number of different ways. Unless otherwise specified, the use of the term “family” refers to either a census family or an economic family as defined by Statistics Canada. Additional definitions of family may be used, particularly for the purposes of international comparison or the discussion of family structure (e.g., lone-parent family, blended family).

Census family

A family unit consisting of a married couple and the children, if any, of either or both spouses; a couple living common-law and the children, if any, of either or both partners; or, a lone parent living with at least one dependent child. All members of a particular census family live in the same dwelling. Children may be children by birth, marriage, or adoption, regardless of their age or marital status, as long as they live in the dwelling and do not have their own spouse or child living in the dwelling.

Economic family

A group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law, or adoption. Members of an economic family are linked by financial interdependence. By definition, all persons who are members of a census family are also members of an economic family.

Unattached individuals

Any persons who are not members of an economic family. People who live alone, or live with others to whom they are not related by blood, marriage, common-law, or adoption.
APPENDIX B

The following questionnaire was sent out to all seven focus group participants prior to the scheduled focus group. Six out of the seven focus group participants completed it.

Pre-focus Group Questionnaire

Thank you for your interest in participating in the Mowat Centre and CSI’s research project exploring the relationship between a proposed Guaranteed Annual Income (GAI) and Social Entrepreneurship.

In order to ensure we are structuring the discussion in the focus group in the best way possible, we have developed the following questionnaire for all participants to fill out prior to the focus group session. Answers to these questions will be confidential and not be seen by anyone other than the lead researchers responsible for this project. Answers will be used to help us customize the discussion to the experience of the participants in the room.

Please answer each question to the best of your ability. If you do not feel comfortable answering a question, please feel free to leave it blank. Please complete the form by Monday, August 15th. Thank you for your time and we look forward to meeting you at the focus group on August 17th.

If you have any questions regarding this questionnaire, please email christine@mowatcentre.ca.

1. What is your name?

________________________________________________

2. What best describes your work as a social entrepreneur (check all that apply):

☐ I lead an established organization that provides a program, networking, advocacy, education or other related work that aims to advance a social mission
☐ I lead an emerging organization that provides a program, networking, advocacy, education or other related work that aims to advance a social mission
☐ I am a consultant who works towards a social mission
☐ I am a staff member of an organization with a social mission
☐ Other. Explain:

3. How long have you been working as a social entrepreneur? (in months or years)

________________________________________________

4. How many distinct organizations/projects/initiatives have you been involved in during your time working as a social entrepreneur?

________________________________________________
5. How would you describe the work that is most central to your work as a social entrepreneur?

6. How long have you been engaged in this work?(in months or years)

7. At what stage of development is this current project/organization/initiative?
   - Ideation
   - Formation
   - Launch
   - Growth

8. Briefly, what is the incorporation structure/legal status of this project/organization/initiative?
   - For-profit corporation
   - Not for profit corporation
   - Charity or public foundation
   - Private Foundation
   - Other. Explain: ________________________________

9. How many other people are working with you on this initiative?
   ________________________________

10. Currently, how many hours a week, on average, do you spend working as a social entrepreneur (both on your central project and other social mission activities)?
    ________________________________

11. Currently, what proportion of your income comes from your work as a social entrepreneur?
    ________________________________

12. Are you engaged in other work outside of your social entrepreneurial work? If so, what are the reasons for this (e.g., financial, professional development, etc.)?
    ________________________________

13. On average, how many hours a week do you spend on work outside of your social entrepreneurial?
    ________________________________
The following outline was sent out prior to the scheduled focus group to outline the details of the focus group including, logistics, guiding questions, and expectations.

Focus Group Guidelines

Thank you for volunteering to participate in our focus group aimed at developing a better understanding of the potential impacts of a guaranteed annual income (GAI) on social entrepreneurship. Your experience and perspective will be extremely valuable to us as we explore this topic. The following document is meant to provide you with the relevant information you might need prior to the participating.

Logistics

Location: CSI, 215 Spadina Avenue, 4th Floor Innovation Room
Date: Wednesday August 17th
Time: 1.00pm to 4.00pm

The meeting will begin promptly at 1.00pm, so please arrive 5 to 10 minutes early to ensure that we can get started on time. The meeting will end by 3.30pm at the latest.

What to Expect

The focus group will include 8-10 participants who are volunteering their time and have self-identified as a social entrepreneurs.

The focus group will begin with a brief introduction to the research project followed by a group discussion that will be guided by the following five questions:

1. What is social entrepreneurship to you?
2. Why are you a social entrepreneur? What motivates you?
3. What are the prerequisites for success as a social entrepreneur, both for you individually and, taking yourself out of your shoes, more generally?
4. What are the biggest obstacles you currently face as a social entrepreneur, both for you individually and, taking yourself out of your shoes, more generally?
5. If the government started distributing a GAI of $8,000 what would the impacts on social entrepreneurship be?
   a. What would the impact of a GAI be if it was worth $15,000?
   b. What would the impact of a GAI be if it was worth $20,000?

Terms of Participation

It is important to note that (1) participation in the focus group is completely voluntary, meaning that participants are free to leave at any time; and (2) participation is anonymous meaning that, while the information gathered in the focus group will be used in our research, none of the views or statements made in the focus group will be attributed to any individual. These and the other terms of participation will be explained further at the meeting and you will also be given an opportunity to ask any questions you might have about the project.
APPENDIX C

This was reviewed with case study interviewees prior to conducting the interview. Both expectations of participation and guiding interview questions are listed.

Case Study Interview Guidelines

Purpose of Interview
The information gained from the interview will be analyzed in conjunction with the CSI Demographic survey responses and focus group discussion to gain a more comprehensive picture of how a GAI would influence the lives of social entrepreneurs. In addition, the case study interviews will be presented in the final research report as individual stories of impact that will highlight the experience of real entrepreneurs and highlight the potential impact a GAI could have across a diverse cross section of social entrepreneurs.

Terms of Participation/Anonymity
It is important to note that participation in the interview is completely voluntary. You are not required to answer any questions that you do not feel comfortable, and are free to end the interview at any time. Also, although we hope to highlight specific social entrepreneur’s personal experiences, any information that you would not want linked to your own personal experience will be treated as output from the focus group session, which will remain anonymous.

Interview Questions

1. What led to your decision to become a social entrepreneur?
   a. Why a social entrepreneur rather than just entrepreneur?
   b. How would you define success as a social entrepreneur?

2. Can you describe your journey into and across your social entrepreneurial endeavors?
   a. What led you to (number) different initiatives?
   b. Can you describe the transition from one to the next? What were your challenges? Successes?
   c. Is there something common that links all of these?

3. Can you describe your current enterprise?
   a. What is your vision and desired impact of your current initiative?
   b. What will you need to achieve your goals and realize your vision?
   c. What are the biggest obstacles you face?
   d. What are the benefits and drawbacks of working independently on this?

4. How do you balance your social entrepreneurial work with the work you do outside of this?
   a. How does the balance impact your work, health, and personal life?

5. What type of support do you or your enterprise currently draw from the government?
   a. What are the benefits and challenges with this?

6. How would an annual GAI impact your work as a social entrepreneur?
   a. How would this impact your life outside of your work?
   b. What amount of a GAI would begin to meaningfully make a difference and why?