

COMMUNITY FUTURES: FUELING CANADA'S ENTREPRENEURIAL DEVELOPMENT



It's more than just small business loans

Community Futures is a unique community-driven, economic development initiative designed to assist communities in Canada's rural areas to develop and implement strategies for dealing with a changing economic environment.

The Community Futures Program was established in 1985 as part of the federal government's Canadian Jobs Strategy to mitigate the labour market adjustment needs in the country's non-metropolitan areas. Today, 30 years later, Community Futures is the largest, most well established national community economic development movement in Canada. This broad network of 269 community economic and business development organizations operates in each province and territory across the country.

Community Futures organizations provide communities with a variety of business development services, such as business loans, technical support, and training. They are also involved in a wide range of community initiatives, including strategic planning processes, research and feasibility studies, and a diverse range of community economic development (CED) initiatives.

Community Futures receives federal funding which is delivered through the Government of Canada's regional development agencies.

Volunteers are key to the success of Community Futures

At the heart of the Community Futures movement is a dedicated team of local volunteers and professional staff who believe that the most effective process for achieving economic renewal and growth comes from within their respective communities. Each Community Futures organization is guided by a volunteer Board of Directors who bring their insights and local knowledge to bear when making decisions on what types of initiatives will work best for their communities.

Local volunteers are integral to the success of Community Futures. They are:

- ⦿ Knowledgeable and passionate about their communities
- ⦿ Committed to finding solutions to challenges
- ⦿ Optimistic about the future of their communities
- ⦿ Willing to take a calculated risk on local entrepreneurs
- ⦿ Keen supporters of local businesses



Over the past 30 years, Community Futures has helped more than **120,000 entrepreneurs**, created and maintained more than **495,800 jobs**, and invested more than **\$4.2 billion** directly into Canada's rural economy, **leveraging** more than **\$8 billion** in additional investment. Today, Community Futures is driven by more than **3,415 volunteers** and **1,400 staff** in **269 offices** across Canada.

Program Evaluations

In 2014, the federal regional development agencies responsible for funding the delivery of the Community Futures Program across Canada undertook evaluations of the program in their regions. The reports demonstrate the phenomenal results that Community Futures organizations are achieving in all parts of the country. The following excerpts highlight some of those achievements:

Western Economic Diversification, June 2014

Community Futures-assisted firms outperformed a comparable group of non-assisted firms in terms of employment growth, survival rate and revenue growth. Between 2005 and 2010, CF-assisted firms had an average employment growth rate of 9.5% compared to 4.2% for non-assisted firms. CF-assisted firms had a survival rate of 76 % five years after the start of their businesses compared to 60% for non-assisted firms, as well as a revenue growth rate of 13.8% compared to 6.1% for non-assisted firms.

Industry Canada, Federal Economic Development Initiative for Northern Ontario, April 2014

Statistics Canada data analysis of Community Futures-assisted firms to a comparator group of non CF-assisted firms showed that sales for CF-assisted firms climbed from \$224.8 million in 2005 to \$376.2 million in 2010. This represents an average increase of 10.8% per year, which is far more than the 3.6% per year from non-assisted firms. The business survival rate for all CF-assisted firms established between 2000 and 2005 was 84% after the crucial fifth year following start-up, compared with 64% for comparable firms started in the same time period.

Federal Economic Development Agency for Southern Ontario, April 2014

Community Futures loan clients grew faster, had higher rates of survival, and generated an estimated additional \$516 million in revenues, 3,865 jobs, and almost \$130 million in wages over a five-year period compared to similar businesses that did not receive CF loans. Statistics Canada data indicates that small and medium sized enterprises that received loans from CFs in southern Ontario grew significantly faster (14.9% vs. 6.9%) and had higher survival rates (88% vs. 66%) after five years than similar businesses that did not receive CF loans.

Economic Development Agency of Canada for the Regions of Québec, August 2014

With respect to survival, it is important to point out that businesses supported by the Community Futures Program have higher survival rates than the comparator group after five years. There is a difference of 20 percentage points across all industries, with some sectors (e.g., hotel and food services and manufacturing) achieving a positive difference of 28 and 25 percentage points respectively, compared to the comparator group.

Atlantic Canada Opportunities Agency, June 2014

Community Futures-assisted firms are achieving better outcomes than comparable firms, particularly with respect to employment, growth and business survival rates. According to Statistics Canada data, the survival rate of CF-assisted firms was higher than that for comparable firms by 20 percentage points after the crucial fifth year following start-up.

In 2008, the Organization for Economic Co-operation and Development (OECD) called Community Futures "one of the most innovative and successful rural-oriented policies anywhere in the world," crediting the program's success to the fact that it is "locally run and suited to local conditions."

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