Social Finance 101 series

Social finance can be complicated, and it’s easy to get overwhelmed with information online. Here is a glossary of important terms relevant to the Investment Readiness Program. Use the CFC IRP template shareables to post these definitions regularly on social media on a specific day of the week under the title Social Finance 101 series, using the #IRProgram hashtag.

Here is a sample post: Happy Monday! Today’s Social Finance 101 series is about social innovation. Can you think of a good example of social innovation? Find out more: irp-ppi.ca #IRProgram

IRP Glossary

**Social finance**
Social finance is an investment that has a positive social, cultural or environmental impact that also generates some return for investors. Through loans and investments, social finance can give new actors the opportunity to make a difference.

**Social innovation**
Social innovation supports new solutions to pressing social cultural and environmental concerns.

**Investment Readiness Continuum**
There are many stages along the path to becoming investment-ready. The continuum begins with early ideation, design, enterprise development and culminates in a social purpose organization being primed to receive investment.

**Social enterprise**
A social enterprise is an organization or program that is mission-driven, aiming to sell goods or services to earn a revenue, while also helping achieve positive social, cultural or environmental objectives.

**For profit social enterprise**
Here the social enterprise is in the form of a for profit business with the difference that the profits are being used to sustain the mission of helping to achieve positive social, cultural or environmental objectives.

**Social purpose organization**
A social purpose organization can be a charity, nonprofit, social enterprise, co-operative, or for-profit social enterprise. In all cases, a social purpose organization is advancing a social, cultural or environmental mission.

**Nonprofit**
A nonprofit is an organization that seeks to advance a social goal or shared stance on issues and does not earn profits for its owners, but reinvests all of its profits back into itself to continue carrying out its mission. Nonprofits are tax-exempt.

**Charity**
A charity is a nonprofit organization that uses its resources for charitable activities that benefit the community, such as poverty relief, the advancement of education or other types of social, cultural or environmental causes. Charities must be registered with the Canada Revenue Agency to issue official donation receipts and be tax-exempt.

**Co-op**
A co-op is a cooperative society, business, or enterprise, owned and operated by and for the benefit of its members. Co-ops address a community’s unmet needs and can change accordingly. They help promote the interests of those who can accomplish more collectively than they could individually.