

**CENTRE FOR  
SOCIAL  
INNOVATION**

COVID-19

*Impact  
Report*

# Impact of COVID-19 on CSI's Members

April 29, 2020

The Centre for Social Innovation is passionate about catalyzing, inspiring and supporting social innovators to turn ideas into impact and fuel movements that put people and planet first. We are a centre of social entrepreneurial excellence, building communities and acting as a 'one-stop shop' accelerator for people and organizations that are changing the world.

CSI supports small and medium sized social enterprises, startups, nonprofits and charities. We've supported over 6,000 organizations since our founding in 2004. Currently there are over 900 member-organizations and nearly 2,200 individuals who call CSI "home". Thousands more come to connect, learn, and collaborate in our spaces each year. We support those who show some of the most promising opportunities for social impact, many of whom face significant barriers to entry—early stage entrepreneurs, lower income, and newcomer audiences, as well as women, who comprise 57% of our members. Our members generate \$270 M annually and create over 300 new jobs a year. Collectively, CSI's members are creating an inclusive and regenerative economy, one that is good for people, planet and profit.

*"CSI is a great network. I've been proud of my association with it and hope to continue to support it in whatever way I can. [CSI] is doing important work that is becoming even more relevant during this COVID-19 crisis."*

## How COVID-19 is Affecting the CSI Community

On Wednesday, March 18, 2020, COVID-19 forced CSI to close our doors—for the first time in our 16 years—as part of the global effort to flatten the curve. As quickly as we shuttered our physical spaces, we began moving our community online to continue building connections, allyship and to provide a range of other services.

To understand the impact of the COVID-19 shutdown on our members, we conducted a Member Needs Survey in late March. The purpose of this data is to help CSI understand how we can best support those facing significant financial hardship due to COVID-19 and to best advocate for our members among all levels of government for program and other financial support, both in this emergency phase and beyond, as we look to recovery in the longer-term. We also looked to the data to devise strategies that will mitigate the financial impact of COVID-19 losses to both CSI and our members. This has resulted in the development of an emergency "Community Rent Pool and Resilience Fund".

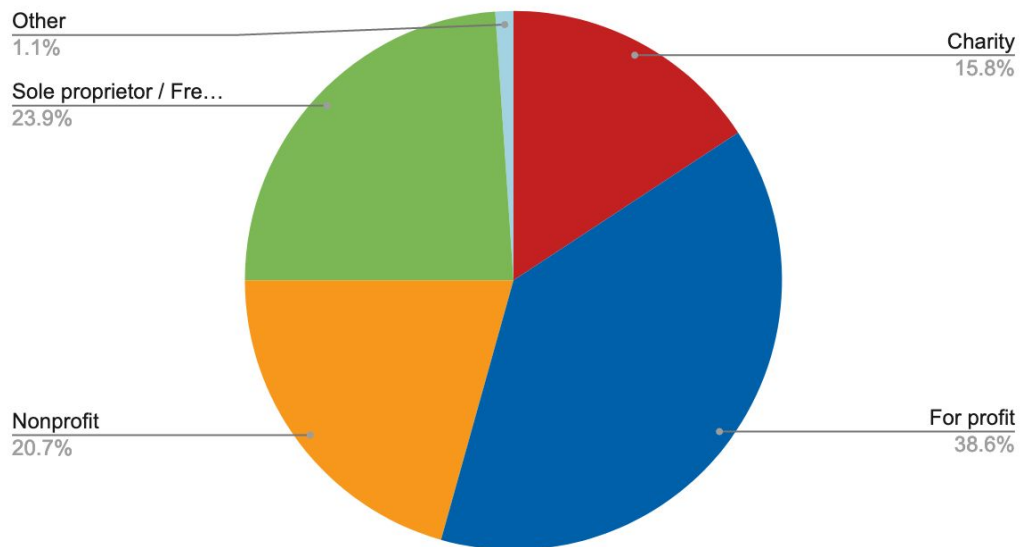
Our goal is to ensure that no one is left behind because of this crisis. CSI is committed, now more than ever, to help our community of changemakers. Here's what they told us.



## RESULTS

190 member organizations (about  $\frac{1}{3}$  of our membership) responded as of April 3. Respondents represented a range of legal structures, with the largest group being for-profits.

### What type of business do you have?



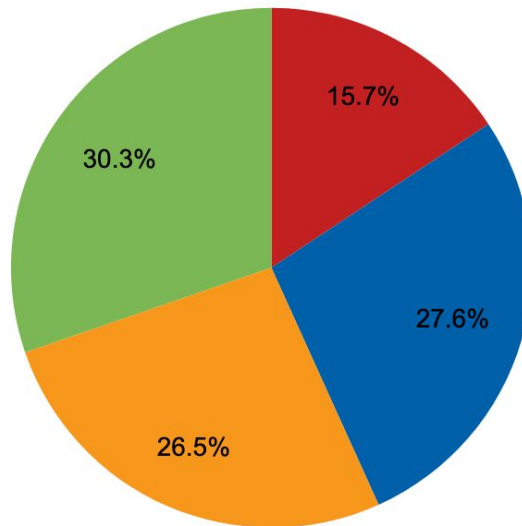
### Financial Forecasts

In response to the question regarding their financial forecasts in these uncertain times:

- 15% felt immediate negative effects
- 27% will feel effects within 1-3 months
- 26% will feel effects within 3-6 months
- 31% cite their business can survive for beyond 6 months

## Due to COVID-19, what is your financial forecast for the next few months?

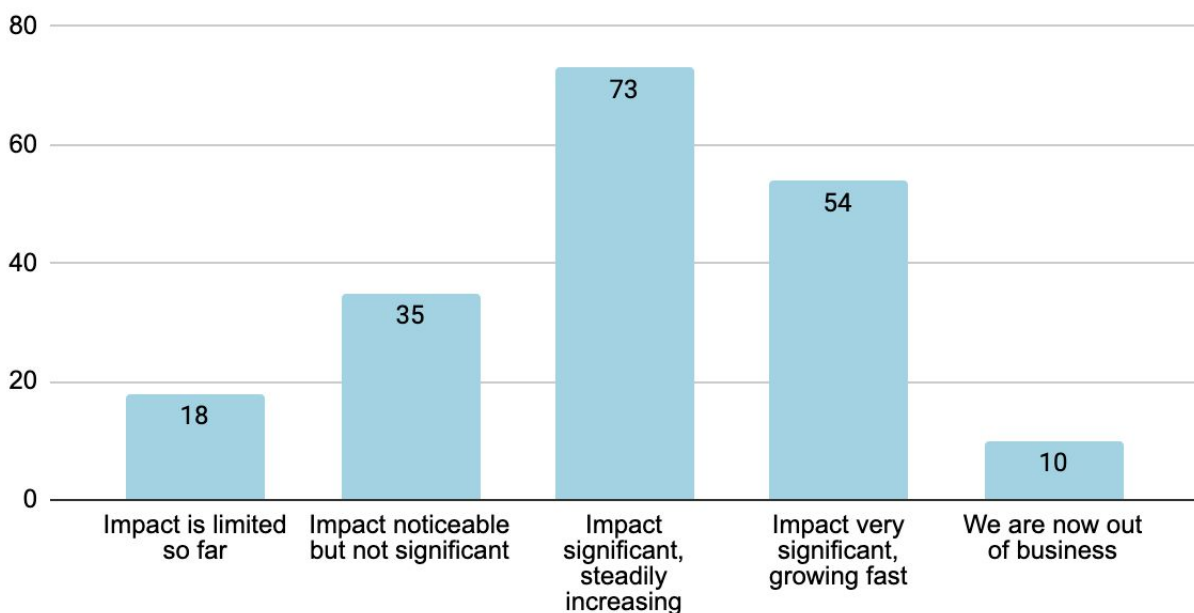
- We need help now!
- We will be in trouble in 1-3 months.
- We will be in trouble in 3-6 months.
- We will be ok for 6 months or more.



### Impact on Member Organization's Businesses

Our members told us that COVID-19 has put many of their businesses in precarious financial circumstances. Many are struggling already, and more are seeing things becoming worse in the coming months. A combined total of 71% of member-organizations are significantly impacted by COVID-19 and at least 10 member-organizations (5%) say they are already out of business.

## Which of the following best describes the impact of COVID-19 on your business right now?



## Change in Demand for Services

The majority of respondents (55%) are experiencing decreasing demand for their services, while 44% are staying the same or growing. Those experiencing an increase in demand are considered 'essential' services during these times, including community and health-based organizations, as well as those offering technical or technological support.

## How is your Business Specifically Impacted?

Our members are facing a range of disruptions due to COVID-19, chief among them the loss of revenue from earned income (66%). Other areas of impact include:

- 55% Changing in-person events to virtual events using video conferencing
- 53% Disruption of services to clients and communities
- 44% Lost revenue from events / face-to-face programs
- 37% Low financial reserves
- 30% Reduced revenue from fundraising (e.g. cancelled events, donations)

## Downsizing and Layoffs

This is a ubiquitous challenge for our members. 44% or 642 Full-time Equivalent (FTEs) are at risk and nearly 27% or 393 FTEs have already been laid off.

*"We have had a temporary layoff for the entire org. Many of our pledged donors pulled out and it's unclear if pledges will come in from foundations."*

<b>How many Full-Time Equivalent (FTE) employees did you have before COVID-19?</b>	<b>How many FTE positions are at risk due to COVID-19?</b>	<b>How many FTE employees have been laid off?</b>
1464	642	393
	44%	27%

## Membership Payment

As a social enterprise, CSI's business model depends on the earned revenue generated through our 110,000 sq ft of co-working space across three locations. Office, dedicated and hot desks comprise 90% of our total memberships. As our members struggle, so too does CSI.

With the finances for their businesses in question, many of our members are finding it challenging to pay their rent and membership fees.

*“We cannot pay rent for April or May. We are so sorry, but have had to cut all expenses in order to survive the storm and emerge on the other side ready to rock. We also hope to be able to continue on at CSI.”*

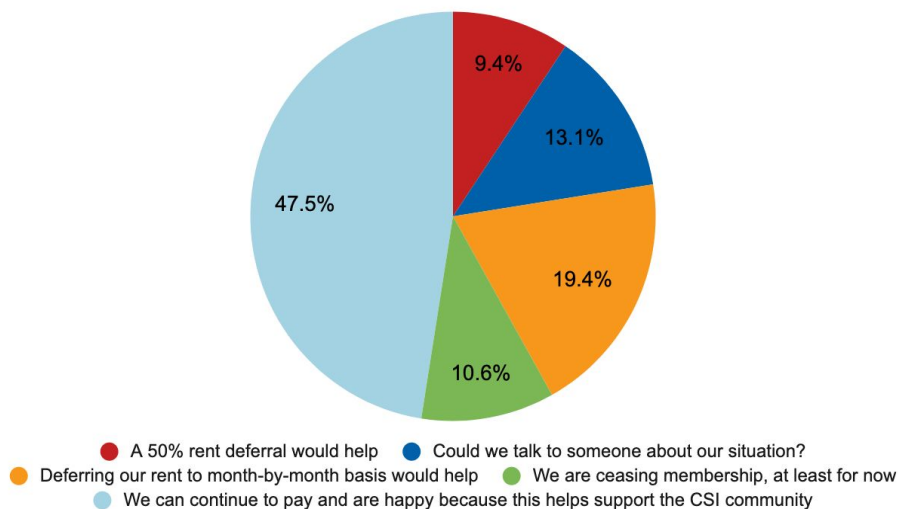


*“We paid our April 1st rent, however we can only responsibly afford 20% of this rent going forward due to funding cuts because of COVID-19.”*

## Introducing the Emergency Community Rent Pool and Resilience Fund

CSI’s values have always been rooted in the power of community. We are a community built by, and for, community. We do not want any member to have to shut their door because they can no longer afford their rent or membership fee. So we offered a range of payment options and turned the idea into a **Community Rent Pool**. We asked our members what their desired rent or membership arrangement would be. 48% will continue to pay their full rent, 19% are requesting a month-to-month relationship and 9% suggest that a 50% rent deferral would help. We have effectively created a Pay-What-You-Can Rent Pool.

What is your desired financial rent or membership with CSI (Permanent Space Members: Offices, Desks, Clusters)?



*“Keeping my desk for the time being as an act of solidarity. I have been at CSI for 10 years and believe in what CSI stands for.”*

*“I hate to penalize CSI for this issue so that's why I paid March rent and will pay April as normal. I'm paying to benefit the rest of the community.”*

Complementing the Community Rent Pool, we have launched the **Community Resilience Fund** with our affiliate charity, the Social Innovation Institute. The Resilience Fund is seeking donations and sponsorships as we continue to provide our education, training and

convening support - online - as well as remove financial barriers to our membership for those facing the greatest economic hardship. CSI's animation team is also taking up the challenge of helping to organize and support our members so that they come back stronger than ever. For us this means assisting them through [CSI Supports](#) and helping to organize around a regenerative economic reset.

## **SO WHERE DO THINGS NOW STAND AND WHAT'S NEXT?**

As of April 23, only 42% of our members had paid their April rent.

That same day, the federal government announced a Commercial Emergency Rent Assistance Program. We do not know at this point if our members or CSI will be eligible for this program. We do know that every day, CSI and our members are facing new challenges in our quest to respond and adapt to the COVID crisis and that the economic challenges we are facing are anticipated to continue well beyond the available government relief programs. We also know that our fundraising revenues are declining as several donors defer their support, meaning less capacity to support our community in these times when it matters the most.

Restarting the economy - when it comes - will come in waves, a gradual reopening that will leave us all vulnerable for months ahead. Our Community Rent Pool and Resilience Fund are emergency measures to see us through this crisis. Members helping members. Donors who believe in CSI contributing to help us all get through this period.

As one of our trusted financial institutions recently shared with us, "CSI is too important to fail". We are doing everything we can to support our members, to help them and us avoid laying off staff, and to ultimately ensure that CSI remains strong and is able to lead us through to the co-creation of the world that we need to create - one that fosters caring and wellbeing, one that puts people and planet first.

For information, contact Tonya Surman, Chief Executive Officer at [tonya@socialinnovation.ca](mailto:tonya@socialinnovation.ca)

To support the Community Rent Pool, contact Shona Fulcher, Chief Community Officer at [shona@socialinnovation.ca](mailto:shona@socialinnovation.ca)

To support the Community Resilience Fund, contact Raissa Espiritu, Director of Partnerships at [raissa@socialinnovation.ca](mailto:raissa@socialinnovation.ca) or donate directly via [Canada Helps](#).