Q1: From research and some existing models, what would be an optimal (or minimum) level of financing and capital support that a new program needs to get started? Are we talking in the millions?

A1: The level of capital support varies depending on the model (for example, pay-for-performance such as the Community Employment Loan Program model relies on savings to government to provide the incentive to small and medium enterprises (SMEs) that are willing to hire newcomers, whereas a model like a social investment fund would require significant investment upfront to ensure that the fund is sustainable, since these funds often need to do a lot of work to find viable investment opportunities, including providing technical supports to social enterprises before making an investment.

Q2: Could you please share some of the best practices/models from UK and Australia.

A2: Please see the market assessment report (available in May on Purpose Capital's website). We have profiled market-building initiatives such as the Investment and Contract Readiness Fund and the Big Society Capital Fund (UK), among several others.

Q3: If you think in terms of where the greatest "need" is as defined by 1) population size 2) population interests and qualifications (i.e. there may be more individuals who want to and are qualified for creating their own small businesses than there are individuals who want to be employed by an existing business), what social finance model do you think investor and/or government capital should prioritize more?

A3: We have emphasized throughout our research that a combination of social finance models will be necessary, since the needs of the sector and of individual newcomers are diverse. Some models address early-stage needs of newcomers, such as micro-loan funds to support more efficient labour market entry and pay-for-performance employment matching to break down barriers and to encourage more SMEs to hire newcomers. Other models focus on mid- stages of integration, such as loan guarantees provided by the government to encourage financial institutions like credit unions and banks to increase their lending to newcomer entrepreneurs on the basis of their character (as the Nova Scotia Loan Guarantee Program does). We have also looked at social finance models that target support at the organization level (e.g., non-profits and social enterprises operating in the settlement sector).

Q4: This webnr will not touch on potential impacts of #socialfinance on @CitImmCanada and provincial funding. But that's the number one question #cdnimm #settlement agency directors have! FCC When can we have some clear understanding that adopting SF models will not result in trad. funding clawbacks?

A4: A key principle underpinning this research is that social finance must not lead to retrenchment of government support and funding for the settlement sector, and that there will continue to be a need for public funding in the traditional sense. Social finance can complement these funding arrangements but it must not be seen as a substitute.

Q5: How long did it take to set up the guarantor process for the Immigrant Access Fund?

A5: The time it would take to set up a line of credit guarantor program will mostly depend on how long discussions/negotiations with the bank will take. It is important to seek out a bank partner that will take the time to understand the program and the uniqueness of the work, and is willing to think outside the box. A model such as IAF has quite possibly not been considered by the bank before so it will take some time to get decision makers on board. Identify people who are potential guarantors and involve them in

the negotiations, as you will want to be certain you're building a model that will be attractive to them. The first line of credit that IAF arranged took about six months; the second, which was much more complicated (larger amount, leveraging of loans receivable) took about a year. The process with both was helped by the fact that IAF had influential supporters encouraging the banks' participation, guarantors ready to sign on, and a healthy and sound loan portfolio underpinning the risk.

Q6: The Immigrant Access Fund has a very good loan payback rate and high employment result. Does the employment program itself provide direct employment service support?

A6: IAF does not provide direct employment service support. IAF assesses applicants' learning/licensing plan to determine whether the path they have selected to move toward employment in their field is reasonable and realistic, and likely to lead to employment. If there appears to be weaknesses in the plan, the applicant is referred to other supports (regulatory bodies, bridge programs, mentoring programs, etc.) who can provide guidance. Loan staff will also provide guidance and suggestions post-approval.

Q7: We hear that many newcomers struggle to gain good credit history in Canada and this is a significant financial hurdle. How might the microloan social finance models help newcomers to build credit? Do they currently? Would like to hear from Immigrant Access Fund if this applies for their clients.

A7: Lack of a credit history in Canada is definitely a barrier for newcomers, and although many do have credit—anyone with a cell phone has started to build a credit history—it is often not sufficient to access mainstream credit. IAF lends to people who do not have a credit history in Canada. IAF loans are registered with Equifax, so loan recipients build their credit history.