



## **Community Economic Development Conference 2010 Participant Survey**

### **Summary Report**

#### **1. Background**

A survey of the participants at the Community Economic Development Conference was undertaken by an independent researcher<sup>1</sup> to obtain data that would inform the conference organisers about:

- how financially independent the participant organisations are;
- what the conference participants saw as the most relevant ideas for development of New Zealand's social economy and the main challenges in applying these ideas;
- the interest in a network for social entrepreneurs, and what its functions should be.

The conference created an opportunity to gather participants' perspectives about community economic development that could be used to inform planning and decision-making to support the community and voluntary sector. It is important to note that this research was intended to provide indicative information that could prompt further detailed research in this sector.

#### **2. Context**

Over a third of the conference participants completed the survey questionnaire with an average question response rate of 89%. Conference delegates were informed that the results of the survey could eventually be available on a conference website.

A separate category has been used for organisations that have a social service function (22% of respondents) while general community development organisations "CDOs" is the category for all other community organisation functions (26% of respondents). CDOs include arts, culture and environmental activities. 'Organisation type' (chosen from a list - such as 'non-profit') and 'organisation function' (described by respondents and categorised - see section 4d) were the primary base for comparing the responses relating to funding and concepts. Results significant to the aims of the research are set out below.

#### **3. Survey findings**

- Over a third of respondents (36%) described themselves as non-profit organisations, while just under 21% described themselves as government agencies. Very few neighbourhood groups or iwi organisations responded. Only one academic institution participated.

---

<sup>1</sup> Survey concept: Phyllis Anscombe, Anscombe & Associates; survey design and data input: Phyllis Anscombe & Tony Stones-Havas, Waitakere City Council.

- More CDOs described themselves as social enterprises than as non-profit organisations, while more social services providers saw themselves as non-profit organisations rather than as social enterprises. This result may indicate that CDO activities could lend themselves to marketisation easier than would the activities of social service providers. One example of a marketable activity for a CDO is environmental management services. Of the non-profit organisations, over 70% of respondents described their functions as social services providers, compared with 17% being CDOs. This lends weight to the inference that CDOs are more likely to engage in profit-making activities than social service providers.
- Of the mature organisations (operating for 11-20 years) that responded, over a third were non-profits, compared with a fifth being social enterprises. Also, over the last 20 years, the number of social enterprises appears to steadily increase, although this result is indicative. Few of the private company respondents were over six years old, which may indicate that younger companies were more likely to be actively interested in community economic development. Note that this result is indicative only. Further analysis of data about organisation age by organisation function would also be useful.
- The levels of financial independence of all respondents was fairly evenly spread between zero and 100% financial independence. Note that this result includes government agencies. A greater understanding of respondents' perception of financial independence would be required before further inference can be drawn from these results (see section 4e).
- Relating financial independence to organisation function, the results indicated that social service providers and CDOs were more likely to be either: less than 25% independent or between 50% and 75% independent. These organisations were less likely to be between 25% and 49% independent, or 75% to 100% independent or 100% independent. More research on this aspect may reveal more insights into the rationale for funding models used by community and voluntary organisations in New Zealand.
- Of the organisations that were financially independent, CDOs made up less than 8% and social service providers made up less than 4%. Over half of CDOs receive some of their funding as a social enterprise trading in services. This combination of results indicates that it is more likely that the activities of CDOs are aligned to the social enterprise model than the activities of social service providers. Note that 79% of CDOs state that they receive 'some' funding from grants (see section 4f).
- The least likely source of funding for all respondent organisations is social loans. A few CDOs receive funding from social lending or commercial loans, while no social service providers responded that they have loans as part of their funding mix.
- For organisations which categorise themselves as social enterprises, income from trading in services is more common than funding from trading in goods.
- In general most community organisations use a mix of funding sources, with very few receiving a single type of income. Around half of all organisations receive at least some funding from grants, bequests and donations. This is more likely to be the case for mature organisations (11-20 years old). These organisations provide an example of a relatively sustainable financial model. Further investigation of mature community organisations could reveal if this model for sustainability and longevity is likely to continue to be the best model.
- The social enterprise model was considered the most relevant to respondents, while community anchor organisation and community economic development models were other close choices. However, the relevance of social lending and alternative finance models ranked much lower. The predominant challenge in applying all of the models was seen as "developing a robust internal capacity and capability to implement the vision".

- For CDOs, the most significant challenge was seen as “collaboration with government, businesses and other organisations, and persuading/ removing obstacles”.
- When asked which models they wished to receive further information about, respondents rated social lending and social enterprise models as being of most interest.
- Most respondents (88%) were interested in being part of a social entrepreneurs network, with the most preferred network functions being:
  - ‘mentoring/peer support’ and
  - ‘coordination and communication (preferably organised on-line)’.

#### 4. Methodology notes

Aspects of this survey that may have had an impact on the results are as follows:

- a) As this was a ‘convenience survey’ of conference participants, respondents were not a random population sample;
- b) The survey questions were related to the conference content and were asked during the conference. This created the potential for acquiescence bias - presenting a risk of being paraphrases of a speaker, rather than representing a full understanding (particularly for Question 5a);
- c) Respondents motivation is likely to be influenced by their interest in many of the concepts discussed at the conference, and respondents were likely to have an active interest in community economic development. This is indicated by the significant number of positive responses and efforts to complete the open questions.
- d) The five organisation function categories created from the open question responses are:
  - Social service providers
  - Advisors, mentors, network organisations
  - General community development organisations
  - Local and central government
  - Other
- e) Respondents’ perception of financial independence was based on a continuum that could have been interpreted as either 0 - 100% grant dependence or 0 - 100% financial independence. The analysis used a 0 - 100% financial independence frame.
- f) Question 4a about type of funding sources did not provide the option to give a quantum for “some” - which could for example be 5% or 95% but was time-consuming to get respondents to accurately quantify.
- g) To maximise the response rate, a questionnaire completion prize was offered.

#### 5. Conclusion

This survey indicates an active interest in the subject of community economic development, and social enterprise in particular. This is encouraging because New Zealand’s uptake of social lending and social enterprise is not high (Saunders, 2009). The survey results are intended to indicate where further research and action could assist the development of New Zealand’s social economy. A 2007 review of community economic development in New Zealand (Trotman & Courtney, 2008) indicated that insufficient research is hindering wider understanding of the opportunities and challenges in this sector in New Zealand. For example, the inter-changeable use of terms such as social economy, social enterprise and social entrepreneur, creates uncertainty for funders, providers and consumers alike (ESRC, 2009).

Growth of the community economic development sector and New Zealand’s social economy could be supported by:

- Creating greater understanding, particularly amongst social and economic agencies, of concepts such as social enterprise and community economic development.
- Assessing the actual financial independence of community organisations in New Zealand and creating best practice sustainable financial models based on case studies.
- Sharing of research and ideas, and providing mentoring for those actively involved in community economic development.

## References

Economic & Social Research Council, 2009 “The third sector - discussions around key public policy issues”, ESRC Seminar Series *Mapping the public policy landscape* [http://www.esrc.ac.uk/ESRCInfoCentre/Images/ESRC\\_PP\\_Third\\_sector\\_tcm6-34453.pdf](http://www.esrc.ac.uk/ESRCInfoCentre/Images/ESRC_PP_Third_sector_tcm6-34453.pdf)

Saunders, G (2009) A new funding paradigm: Prospects for social lending and investment by foundations in New Zealand, [www.asbcommunitytrust.org.nz/research-social-lending.html](http://www.asbcommunitytrust.org.nz/research-social-lending.html)

Trotman, R and Courtney, M 2008 “Supporting community economic development in the Auckland region: Issues and opportunities”, <http://www.asbcommunitytrust.org.nz/research-resources/community-economic-development>

Phyllis Anscombe  
***Anscombe & Associates***  
March 2010