

## History of Community Futures in British Columbia

Businesses are struggling. Unemployment rates are high. Entrepreneurs are having difficulty getting loans because the major banks have restricted their lending. Smaller communities in particular are being hardest hit by the effects of an economy in trouble.

Sound familiar?

That was the economic reality when Community Futures was launched 25 years ago. And today? The program is just as relevant as we struggle to deal with the latest in a series of cyclical economic downturns.

Community Futures is a unique economic development program that, over the past 25 years, has created and maintained thousands of jobs and leveraged more than \$620 million of investment money to strengthen and diversify the economies of hundreds of communities across British Columbia. Largely unknown outside their local regions, Community Futures groups have helped breathe new life into communities that have been hard hit by high unemployment and severe economic hardship.

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.” The OECD went on to say that the program’s success “is due in no small part to the fact that it is locally run and suited to local conditions.”

### **EARLY YEARS: THE RISE OF COMMUNITY-BASED ECONOMIC DEVELOPMENT**

Created in 1985, Community Futures has its roots in previous federal government programs that emphasized long-term job creation with a particular focus on creating jobs in small, entrepreneurial settings. This marked an important shift away from earlier policies

that focused on direct, short-term job creation to programs that addressed a broad range of economic challenges that faced communities as they struggled to deal with the fundamental restructuring of Canada’s resource-based economy.

At the same time, federal government policy makers were moving towards the adoption of a “bottom up” approach to economic development. They recognized that local communities knew how to respond to local problems more quickly and effectively than outside agencies.

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In 1980, a pilot project established through the Nanaimo Community Employment Advisory Society (NCEAS) on Vancouver Island – one of two pilot projects in the country – provided the framework for what would later become Community Futures. It was the first federally funded employment project aimed at encouraging members of the local business community to participate in stimulating private sector employment. Don McMillan, known as the “grandfather of Community Futures” in British Columbia, was the driving force behind NCEAS at the time.

“Don’s dedication to his community was paramount,” says Ted Treller, founding manager of Community Futures North Okanagan. “If he could find a program that fit, he would. He was really innovative; very, very creative; very dedicated to his community. He believed that his job was to make the program fit the community, not make the community fit the program.”

In 1983, building on the success of the pilot projects, the government created Local Employment Assistance and Development (LEAD) corporations in economically depressed regions across Canada. LEAD corporations were governed by a volunteer board of local business people with access to a variety of resources, including an investment fund, to help entrepreneurs in their communities create or expand their businesses.

LEAD corporations were established in British Columbia and were later rolled into the Community Futures program, bringing with them two to three years of operating knowledge and experience. LEAD corporations that became Community Futures include:

- Campbell River (Strathcona)
- Fort St. John (Peace Liard)
- Nanaimo (Central Island)
- Nelson (Central Kootenay)
- Nuu-chah-nulth (Aboriginal exclusive)
- Penticton (Okanagan-Similkameen)
- Port Alberni (Alberni-Clayoquot)
- Prince Rupert (Pacific Northwest)
- Vernon (North Okanagan)

### GETTING IT RIGHT: THE CREATION OF THE COMMUNITY FUTURES PROGRAM

Community Futures was announced as a replacement for LEAD in 1985 as part of the federal government's Canadian Jobs Strategy. At the time, the government was concerned that LEAD corporations were focusing too much on the business development side and not enough on the community economic development side.

"We wanted it to be broader than just business development," says Linda Charles, former manager of Community Futures in B.C. for Employment and Immigration Canada.

"The idea of community development had rattled around the federal government for quite a few years," says Linda. "The Community Futures program allowed us to look broadly at community development yet continue to do business development. It was a tremendous way for government to work with communities on a practical, measurable process. It led to a really good dialogue between community and government."

Built on the same key principles as its predecessor – local decision-making, planning and assessment, technical support, business investment – Community Futures added an increased emphasis on participation from a broad cross-section of the community representing a diverse range of interests, including social, environmental, and educational, as well as business.

"I thought it was one of the most courageous things the government ever did," says Greg Tolliday, who took over management of the Community Futures program from Linda Charles at the end of the 1980s. "That the government would give grants to communities and let them decide what to do was unheard of then."

"It was really a watershed moment when communities were actually asked to deliver programs to their own communities," says Garth Stiller, Senior Portfolio Advisor, Western Economic Diversification, who has been involved with the Community Futures program since the 1980s. "Communities know the needs of their communities and how to serve them better than the government does. The government was smart enough to understand that. At the same time, communities accepted that a partnership between government and community could be successful. It's a very special hybrid."

The Community Futures program model was originally comprised of two organizations, each with their own Board of Directors and a distinct mandate. One was the Business Development Centre which provided the business support and loan functions performed by the original LEAD corporations. They received an annual operating budget of \$150,000 and \$1.55 million in loan funds to support the creation and expansion of local businesses. There was an expectation that the BDCs would become self-sustaining through the return on investments they made in their communities. One of the key strengths of the BDC was having knowledgeable business people involved in evaluating loan applications.

The second group was a Community Futures Committee, also governed by a volunteer, community-based board of directors. Each Community Futures Committee received \$100,000 in annual operating funds and was set up with the intent to assess the community's economic



potential and areas of opportunity for job creation and business development. They were then expected to work closely with their Business Development Centres to help guide their investment strategy.

Initially, local Community Futures groups could draw on several program components, including the Self-Employment Incentive program; an ability to purchase institutional training; relocation assistance, and the Community Initiatives Fund. They also had access to the Innovations Fund, a separate component of the Canadian Jobs Strategy, for pilot projects that tested new solutions to labour market problems.

“Community Futures groups were able to leverage hundreds of thousands of dollars for their communities,” says Garth. “They came with resources, which gave them an ability to create partnerships. It automatically made them a player in their community.”

### ABORIGINAL EXCLUSIVE ORGANIZATIONS

By the late 1980s, the majority of Community Futures organizations in British Columbia had been established, including three Aboriginal exclusive groups, which had been created to deal with the unique situation faced by First Nations communities.

“Our biggest achievement was getting the knowledge of our services out to other Aboriginal communities in British Columbia,” says Larry Casper, Chair of Community Futures Central Interior First Nations. “Our approach to community economic development has made other bands in the province recognize that we, as Aboriginal people, need to be involved in delivering economic dollars to our communities. We know our communities best.”

Larry Casper is also Chief of the Lillooet-Seton Lake Band and a long-time board member for Community Futures British Columbia.

“I strongly believe that Community Futures would be a good model for other Aboriginal economic development organizations in British Columbia. Community Futures is apolitical, and recognizes the importance of community economic development in making decisions and solving local problems.”

In addition to the Central Interior First Nations group, Aboriginal exclusive Community Futures include the

Nuu-chah-nulth Economic Development Corporation, one of the original LEAD corporations, and Sto:lo Community Futures.

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### EXPANSION OF THE PROGRAM

During the 1990s, additional Community Futures groups were established to cover regions that hadn't yet been served. There are now 34 groups covering the entire province, excluding the metropolitan areas of Vancouver and Victoria.

However, not all of those groups were created equal. In north central B.C., what was originally one large Community Futures area was later divided into two – Community Futures Nadina in the western part of the region, and Community Futures Stuart Nechako in the east. “I think someone in Vancouver looked at the map, took a magic marker and split the region in two,” says Jerry Botti, founding manager of Community Futures Nadina.

Unlike Community Futures organizations created earlier, the two northern groups did not receive any investment funds until several years later, and did not have the contract for the Self Employment program until 1994. In Nadina, they focused instead on being champions of community economic development.

“We didn't do loans, so we had to do something. The Board had a very strong community focus. We wanted to do things to help strengthen business, so we did it by being creative,” says Jerry.

They started by working on watershed restoration projects. “These restoration programs were designed to correct the damage that had been done by poor logging practices. We got the contracts and hired people to do the work, and were able to charge it back to the companies plus a fee on top of that,” says Jerry. “In the end, we were able to make enough money to become self-sufficient fairly quickly.”



He said the community development approach served them well. “Other Community Futures groups were very heavily business focused, but missing the community part. If you have business development but don’t have the social or environmental, then you’re not really doing economic development. Social issues are business issues. If you’ve got kids running around, breaking store windows, that’s a business issue. If the doctors in your region won’t accept patients, why would you want to move there and open a business? It has to be a holistic process.”

### **CONSOLIDATION OF COMMUNITY AND BUSINESS DEVELOPMENT**

In 1995, Community Futures Committees merged with their local BDCs and were incorporated as Community Futures Development Corporations. They were later renamed simply Community Futures. They continued to be non-profit organizations governed by a volunteer board of directors with representation from a cross-section of the community.

Also in 1995, responsibility for the Community Futures program was transferred from Human Resources Development Canada to the federal Regional Development Agencies that were responsible for economic development in their regions.

In British Columbia, Alberta, Saskatchewan and Manitoba, the program was transferred to Western Economic Diversification. The network of some 90 Community Futures organizations across western Canada bolstered WD’s ability to actively engage rural communities in developing and diversifying their regional economies.

“At the time, WD had more of a business focus, along with a focus on industry associations,” says Frank Eichgruen, Program Manager for Western Economic Diversification. “Taking on responsibility for Community Futures changed WD; it gave it a stronger regional presence. The Community Futures groups also brought a strong community-based perspective to the table.”

“Thousands of entrepreneurs have had their dreams enabled simply because Community Futures can look at character and capacity and not focus only on capital,” says Garth Stiller. “Many of those businesses have gone on to greater depth and strength. And those

entrepreneurs have gone on to become more actively involved in their community, mainly because they became involved in the Community Futures experience.”

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Over the years, the impact of Community Futures on communities has been significant. For the 15 year period that Community Futures has been under WD’s umbrella, from April 1, 1995 to March 31, 2010, the 34 Community Futures organizations in British Columbia disbursed a combined total of 11,442 loans worth \$330.8 million to support local business development in their communities. They leveraged an additional \$618.9 million from other sources which was invested back into the local and regional economies.

Those community investments resulted in creating and maintaining 44,680 jobs over the years. And this doesn’t include the period from 1986 to 1994, when the program was with HRDC. Nor does it take into account the tremendous contribution made through community economic development and capacity-building initiatives – contributions that are much more difficult to quantify.

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“What I love about Community Futures is that it’s driven by community members. People who love their community and want the best for it,” says Pat Foster, past-Chair of Community Futures Cowichan. “It’s a wonderful program that helps people who may not get help otherwise.”

### **LEVERAGING RESOURCES, SHARING BEST PRACTICES AND BUILDING CAPACITY**

Community Futures groups were created as locally autonomous organizations founded on the principles of local decision-making and finding local solutions to local problems. At the same time, however, the Board and staff of those organizations soon



recognized the value of sharing information, particularly in the beginning when they were starting from scratch.

“We didn’t have any systems to start,” says Paul Wiest, General Manager of Community Futures Central Kootenay, one of the original LEAD corporations. “We had to invent everything as we went along. We had to create our own forms and systems.”

As a result, the groups began to explore ways of sharing information. “We learned from each other,” says Mary Ellen Heidt, General Manager of Community Futures Okanagan-Similkameen. “We started a training program back when we were first LEAD corporations. For example, we hired the Bank of Montreal to teach us how to analyze bank statements. We shared our documents, and the way we did things. We had to. There was nobody around that we could follow.”

Over time, the groups realized they could collaborate with each other on specific regional initiatives without jeopardizing their local autonomy. They also recognized the value of creating a more formal structure that would allow them to work collectively, on a province-wide basis, to share information and best practices, learn from each other’s experiences, and leverage additional resources that they couldn’t do on their own.

In 1992, Community Futures groups from across the province came together to form the B.C./Yukon Community Futures Association, now known as Community Futures British Columbia. The purpose of the provincial organization was to create a forum for individual Community Futures groups to bring ideas forward that could then be developed and implemented on a larger scale to benefit the province-wide network as a whole.

By working together, the 34 Community Futures groups have been able to leverage additional resources that strengthened their capacity at the local level, enabling them to maximize their own resources and access additional funds to benefit their local communities and further enhance their local programs. It also provided them with access to a larger pool of expertise that exists within the network.

“When you create a provincial body, your voice is stronger,” says Claudette Everitt, founding chair of Community Futures North Okanagan and past chair of

Community Futures British Columbia. “The provincial association helped bring the groups together, learning from each other, celebrating our differences. What the north was doing was different from the south. We got ideas from others and said hey, why don’t we try this here?”

In turn, Community Futures British Columbia provided other organizations and government agencies with easy access to a well-established network of 34 community-based organizations throughout the province that were actively engaged with their communities and could help deliver programs “on the ground” at the local level.

Some of the initiatives that Community Futures British Columbia has pursued over the years include:

- Production of a Board Orientation Manual which drew from the “best of the best” material in the B.C. network and formed the basis of what is now the Community Futures Pan West Board Development training program;

- Creation of the Pooled Asset Loan Fund (PAL) to pool \$10 million in investment funds and make them available to individual Community Futures organizations across the province;

- Establishing partnerships with other organizations, including Forest Renewal BC, ICBC, the Credit Unions, and the Working Opportunity Fund, that enabled Community Futures groups to access additional investment funds and resources to better assist their local communities;

- Building capacity and facilitating the exchange of information through the development of a Best Practices website and the creation of a Quality Control Program that drew on the wide range of expertise from within the B.C. network to help groups resolve specific issues;

- Assisting in the roll-out of programs across the network as a whole, such as Entrepreneurs with Disabilities and the Community Access Program Youth Initiative for public access to the Internet.



Community Futures British Columbia also played a key role in establishing Community Futures Pan West in 1999, and the Community Futures Network of Canada in 2000 to further encourage the exchange of information and sharing of best practices on an even broader scale.

### LOOKING AHEAD: CHAMPIONS OF COMMUNITY ADJUSTMENT

Community Futures has proven to be a resilient approach to community economic development and diversification.

“I think the Community Futures model is as relevant today as it was when it started,” says Ken White, past-Chair of Community Futures British Columbia. “It’s a low-cost solution. I think for the money spent there’s more rubber hits the road than with any other government-funded program.”

Over the years, Community Futures groups have demonstrated their ability to establish partnerships and leverage resources on behalf of their communities. They understand the unique challenges and opportunities their communities face, and can respond quickly to changing circumstances.

In the late 1990s, that local knowledge and ability to engage their communities played a key role in the federal government’s decision to choose Community Futures to deliver two major community economic adjustment programs in British Columbia.

The first was in 1998, when 13 coastal Community Futures came together to form the Fisheries Legacy Trust to administer the Department of Fisheries and Oceans \$5 million license-stacking program.

The following year, they undertook the delivery of the \$22 million Community Economic Adjustment Initiative (CEAI) and the \$7 million Recreational Salmon Fishing Loan program as part of the federal government’s \$400 million Pacific Fisheries Adjustment and Restructuring Program.

In 2002, the federal government came to Community Futures again, this time to deliver the \$50 million Softwood Industry Community Economic Adjustment Initiative (SICEAI) to help forestry-dependent communities impacted by the tariffs imposed by the U.S. on softwood lumber imports.

“We’re fortunate to have long-term, stable funding,” says Marie Gallant, Executive Director of Community Futures British Columbia. “It allows us to provide core services to our communities, such as our business lending programs, entrepreneurial training and community economic development. And it also provides us with the foundation to take on broader initiatives.” Initiatives such as the fisheries and softwood lumber adjustment programs and, more recently, the Rural Economic Diversification Initiative of B.C. (REDI-BC), a joint program between Community Futures British Columbia and Western Economic Diversification designed to promote economic sustainability.

“We practiced community economic development before it was popular,” says Marie. “Now, we’re building on our experience in traditional community economic development and supporting economic diversification and community adjustment.”

For Rick Joyce, Chair of Community Futures B.C. and past-Chair of Community Futures Cowichan, the ability to successfully deliver those larger, more complex adjustment programs represents the next stage for the Community Futures program in British Columbia.

“We were able to take on those larger projects because Community Futures groups are known for working with people and communities directly,” says Rick. “We work with them from the very beginning; help them through the process. We know the local and regional conditions. We spend time with each of the clients, and help them with information and skills if that’s what they need. We’re seen as being true community people. And as long as we can keep that focus, we’ve got a great model.”

[www.communityfutures.ca](http://www.communityfutures.ca)