



# THE UNIVERSITY OF WINNIPEG

## University of Winnipeg Business Administration

### BUS 4301 Social Finance Syllabus

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**IMPORTANT DATES** TBA

### **COURSE DESCRIPTION**

This course will provide knowledge and case studies in which business in social finance responds to achieve its social, environmental, and financial returns. It will teach students and those working in banking and government agencies on this emerging industry, its tools and strategies, and the challenges of finance linked to social aims. This course is the culmination of the path towards the Concentration in Co-operative Enterprises.

It also entails a strong research component and the building of a case study to be defended in front of a panel of experts, where you will be able to do research in a specific area in social finance, apply it and defend it.

High on the agenda, ‘social finance ‘social impact bonds’, ‘social investment impact’, represent “the deliberate, intentional application of tools, instruments, and strategies to enable capital to achieve a social, environmental, and financial return” (Harji & Hebb 2009). In addition to microfinance, social banks including credit unions provide loans with the goal of achieving a positive social and environmental impact ([www.gabv.org](http://www.gabv.org)), showing remarkable growth in Canada in terms of balance sheets and market share. The Federal Government National Call for Concepts for Social Finance led to the 2013 Report mentioning as leaders “J.W. McConnell Family Foundation, the Centre for Impact Investing at MaRS, Vancity (Vancouver City Savings Credit Union), LIFT Philanthropy Partners, Social Capital Partners and *Mouvement des Caisses Desjardins*”.

Key to the course are the following questions:

How to access these new resources; what are the benefits and risks? How is risk evaluated; how to work out eligibility, feasibility and programming? How are partnerships and coalitions built? Which are the available tools?

This course will be destined to those working on finance for social and ethical concerns and those having or aiming at a career in public and/or private banking institutions, lenders and organizations involved in social finance. The course will include case studies, speakers who are recognized leaders and experts in social finance, and relevant literature.

**PREREQUISITE:** You must have successfully completed **BUS-2301 or BUS-3250 or BUS-3255**, or received a waiver from the instructor, in order to take this class. Make sure that you have the necessary prerequisites to take this course. If you have not successfully completed the above listed courses, please contact student registration office.

### **COURSE OBJECTIVES**

By the end of the course students should be able to:

- Exhibit knowledge of social finance institutions, tools and the emerging industry as it exists locally, nationally, and internationally;
- Apply the understanding of social finance tools and metrics to draft and evaluate sound proposals to obtain funding / financing, and
- Evaluate government policies and other factors that make an environment supportive of social finance.

### **TEXT BOOK/ READING MATERIALS**

The main course text book is:

Salamon, L M. ed. (2014) *New frontiers of Philanthropy*, Oxford University Press.

Additional material will be posted before class and available through Nexus where you will access the lecture notes as well. Selected readings will consist of classic and contemporary articles available through the library and electronically downloadable. Most of the course materials will be available on Web CT.

### **RESOURCES AND COMMUNICATION**

We will be using Nexus as the online course management system for this course. Use the USERID and password that you received when you registered to log in at <http://nexus.uwinnipeg.ca/>. If you have difficulty logging in, you should contact the Help Desk at 204-786-9149 or via email at [help.desk@uwinnipeg.ca](mailto:help.desk@uwinnipeg.ca)

**General inquiries** about assignments and course content should be posted to the course discussion forum in Nexus called “questions for the instructor”. Please check the other postings in the forum to make sure your question is not answered before posting. (It helps if everyone titles their posts in a way that make it easy to determine the nature of the question.)

**Private inquiries** about grades or other personal matters can be directed to my e-mail. Although every effort will be made to respond more promptly please allow 48 hours for a response.

## **LECTURE NOTES**

Many, but not necessarily all, lecture notes will be posted to Nexus *after* class. Students should not necessarily assume all lectures and / or all slides will be posted. Be aware that Nexus offers access to generic PowerPoint presentations based on the textbook. For lecture notes, please access these notes on Nexus.

Due to unforeseen circumstances, changes to some aspects of this course (excluding the assessment structure) may be necessary. Any and all changes will be communicated in class and on Nexus.

## **EVALUATION CRITERIA**

Midterm Exam 1 (TBA)	20 %
Team case presentation to a panel (TBA)	40 %
Student contribution	15%
Personal Paper	25 %
Total	100 %

### 1. **Mid-term Exam 1(20%)**

You will complete a closed-book test in class after we have finished the first part of the course. The test will contain a combination of multiple choice, and short answer questions. The short-answer questions will require you to understand and explain your ideas using proper sentence and paragraph structures. The questions will cover material from the assigned readings. The test will be held in the classroom during class hours, TBA.

### **MID TEST REQUIREMENTS**

- Students need to be prepared to show photo ID at the tests and will be required to do so at the final exam
- Cell phones must be turned off during all classes, tests, and the final exam.
- Students must be punctual. Those who enter the test room later than the starting time scheduled will NOT be allowed to write the tests/exam.
- During exams, handheld devices and other electronic messaging will not be allowed, and must be placed at the front of the class.
- Students will leave their bags and handheld devices at the front of the room during the test.
- Absence from the Midterm Exam: To apply for an excused absence from the midterm exam, a student must present supporting documentation pertaining to the absence to the instructor as early as possible.

### 2. **Team case presentation to a panel of experts (40%)**

Each team will prepare a case based on research, able to justify the underlying fundamentals, build a proposal for funding and argue in its favor in front of a Panel of Experts in social finance, composed of leaders in business and nonprofits. The experts' questions on the case will require students not only to cover material from the assigned readings and guest lectures but also to demonstrate the research undertaken to build the case. The assignment will be held in the classroom during class hours. The instructor will be the one to evaluate the team presentation and students' performance.

In the same teams, you will prepare a written case analysis. The project should be 15-17 pages, typed, double-spaced with 12 point font and 1” margins. Late projects will not be accepted unless there is documented evidence of medical conditions affecting your entire team.

Your grade will be determined by demonstrating knowledge of the material, applying it using relevant examples, drawing out implications and insights, as well as clear writing.

The grade I award will be adjusted (i.e., decreased or increased) by peer ratings by your team members of your contribution. If all contribution ratings are the same, each member will receive the same project grade.

### 3. Student Contribution (15%)

Contribution to discussions of readings, seminars and assigned activities is an important means of learning in this course. It means listening carefully as well as speaking out, demonstrating understanding of assigned readings, and participating regularly with comments, questions, and ideas that show thoughtful analysis of covered material. I’ll be looking for clear evidence that you’ve done the readings and thought about them before class. You may expect to be called on to speak. To be prepared, I strongly suggest that you write notes and comments on the readings. Be ready to be asked, “What did you think of X?” Please note that contribution includes, but is not limited to, attendance and participation. Contribution represents advances in the quality of argument, discussion, insight, exchange, and analysis. To do this, students need to work consistently and thoughtfully, demonstrating in their comments, answers and questions their knowledge of assigned material and consideration of its implications.

<i>Student Contribution</i>	
<b>Outstanding (13-15%):</b>	Demonstrates consistent on-time attendance, preparation, and constructively contributes to all class activities and discussions; consistently demonstrates insight by asking questions, making statements that add to and facilitate the class discussion, or building upon
<b>Very Good (10-12%):</b>	Demonstrates consistent on-time attendance, preparation, and constructively contributes in all class activities and discussions; demonstrates insight by asking questions or
<b>Fair (7-9%):</b>	Demonstrates consistent attendance and preparation; occasionally contributes to class discussions, regularly participates in other class activities; may occasionally arrive late
<b>Poor (4-6%):</b>	Demonstrates inconsistent attendance/timeliness/contribution in class activities; may occasionally be unengaged in class activities and/or is disruptive/distracting or disrespectful in class; is frequently not prepared, regularly arrives late to class; occasionally reads the
<b>Fail (0-3%):</b>	Demonstrates consistently poor attendance and consistently poor preparation; is unengaged or fails to contribute in class activities; may be disruptive/distracting or disrespectful in class to others; occasionally reads the newspaper, falls asleep or uses laptop/cell phone, etc. during class.

### 4. Personal Paper (25%)

Each student will submit a paper analyzing and interpreting the dynamics of your team’s research process that demonstrates knowledge of course material using relevant examples, implications and personal insights, as well as clear writing. This paper should be 6-8 pages (typed, double-spaced).

### **Absence from Exams**

To apply for an excused absence from the midterm exam, a student must present supporting documentation pertaining to the absence to the instructor as soon as the student is able. The weight of the missed exam will be re-allocated to the personal paper. There will be no deferred midterm exams in this course.

*NOTE: There is no final exam for this course.*

### **EXPECTATIONS, GOVERNING POLICIES, AND GENERAL INFORMATION**

Please read assigned material before you come to class, bring questions and be ready to discuss theory and application in the readings. During the classes, we will engage in participatory activities that expand on key points, introduce complementary material, make connections across topics or apply insights to current events locally, nationally and internationally.

Students are responsible for course-related announcements made in class.

It is your responsibility to be familiar with the information on Academic Regulations and Policies, Section VII of the Course Calendar. This section covers classroom regulation, grading, transcripts, challenge for credit, academic standing, student discipline (academic and non-academic misconduct), appeals including grade appeals, University Policies and Codes and graduation. The delivery of this course is governed by these regulations and policies.

#### **Classroom Etiquette**

Showing courtesy to the instructor and other students is an important part of every class. It is expected that students

- a) will arrive in class before it begins, and will stay until it is over;
- b) will not engage in sidebar conversations with other students;
- c) will not read non-course materials; and
- d) will not use personal communication or entertainment devices, such as laptop computers, mp3 players, cell phones, blackberries, etc in class.

**Please inform the instructor in advance if you need to arrive late or leave early on a specific day.**

#### **Misuse of Computer Facilities, Plagiarism, and Cheating**

Refer to Section VII on Academic Regulations and Policies in the UW Calendar for Senate information on appeals, withdrawal dates, and academic misconduct such as plagiarism and cheating. These serious offenses will carry sanctions. Be sure that you have read and understood section VII.

## **Services for Students with Disabilities**

Students with documented disabilities requiring academic accommodations for tests/exams or during lectures/laboratories are encouraged to contact the Coordinator of Disability Services at 786-9771 to discuss appropriate options. Specific information is available on line at [www.uwinnipeg.ca/index/services-disability](http://www.uwinnipeg.ca/index/services-disability). All information about disability is confidential.

## **Governing Policies**

Assignments must reflect effective use of Nexus with typed answers. Late assignments will not be accepted.

## **TENTATIVE WEEK-BY-WEEK TOPIC OUTLINE**

Schedule is subject to change at the option of the instructor. All topics listed on the outline may not be covered.

1. Introduction to the course and to the field of social finance in Canada and globally.
2. Overview of the industry and its evolution.
  - a. *Canadian Min. of Human Resource and Skills Development (2013) Harnessing the Power of Social Finance. Canadians respond to the National Call for Concepts for Social Finance. Report, May*
  - b. *Salamon (2014) Part 1 'Introduction'*
  - c. *Benedikter, R. (2011) Social Banking and Social Finance, Springer briefs in Business*
3. Community lending institutions in Manitoba: actors, corporate structures and features.
  - a. *Salamon (2014) Chapter 2 'Capital aggregators'.*
  - b. *Seidman, Karl, Community Development Finance, Chapter 12, Community-based financial institutions*
  - c. *MacPherson, Ian. Hands Around the Globe: A History of the International Credit Union Movement and the Role and Development of World Council of Credit Unions, Inc. Horsdal & Schubart Publishers & WOCCU, Victoria, Canada 1999*
4. Community lending institutions and key lending practices: what lenders look for in assessing risk.
  - a. *Harji, K. (2009). Delivering More Capital to Communities. Making Waves. Volume 20, number 3 (Autumn/Winter 2009), pages 5-11*
  - b. *Case study: Assiniboine Credit Union. Transformational Company Case Study: Inclusive Business <http://www.cbsr.ca/blog/transformational-company-case-study-inclusive-business>. Also <http://annualreport.assiniboine.mb.ca/files/ACU%20-%202012%20Highlights%20Brochure.pdf> and [http://annualreport.assiniboine.mb.ca/Non-financials\\_Communities.html#Investingforimpact](http://annualreport.assiniboine.mb.ca/Non-financials_Communities.html#Investingforimpact)*
5. Social impact metrics :

- a. *Salamon (2014) Chapter 22 'The elusive quest for impact: the evolving practice of social-impact measurement'*
  - b. *Bugg-Levine, A and J.Emerson (2011) "Impact investing: transforming how we make money while making a difference". Jossey-Bass*
  - c. *Bragg, I. (2010) Impact Investing in Canada: A Survey of Assets. Social Investment Organization*
6. Social impact metrics' case studies:
- a. *IRIS and GIIN, Global impact investing network and impact reporting and investment standards*
  - b. *GABC and Vancity, Values based banking alliance and Vancity in Vancouver.*
7. **MID TERM TEST**
8. Toolbox 1: Access to capital (loans, guarantees, microfinance)
- a. *Salamon (2014) Chapter 12 'Loan guarantees, and other credit enhancements'*
  - b. *Social investment funds case study: Mouvement des Caisses Desjardins in Quebec*
9. Toolbox 2: The emerging social finance marketplace
- a. *Salamon (2014) Chapter 4, Social and environmental exchanges*
  - b. *MaRS Discovery District (2009) MaRS Whitepaper Series Part 1: Social Venture Finance in Ontario*
10. Toolbox 3: targeted tools (tax credits, district financing):
- a. *Schwab Foundation for Social Entrepreneurship (2013) 'Breaking the Binary: Policy Guide to Scaling Social Innovation', April. World Economic Forum*
  - b. *The Community Economic Development Investment Fund (CEDIFs) in Nova Scotia. <http://socialfinance.ca/2013/06/03/policy-for-social-innovation-looking-at-the-cedif-model/#sthash.8ehfPyip.dpuf>*
  - c. *Manitoba tax credits programs: Mobilizing Community Capital for Co-op Development in Manitoba at <http://manitoba.coop/Uploads/Resources/CEDIF%20Report%20Final%20Formatte d.pdf>*
11. Toolbox 4 : macro tools (social impact bonds, municipal bonds):
- a. *Salamon (2014) Chapter 13, Fixed-income securities*
  - b. *Meghan, J. and J. Shields (2013) 'Social Impact Bonds: The Next Phase of Third Sector Marketization?' Ryerson University, ANSERJ Vol 4, No2, pp. 39-55*
  - c. *The Calvert Foundation case study*
12. Toolbox 5: equity and investment, preparing a share offering (seed, venture capital)
- a. *Salamon (2014) Chapter 15 "Private Equity Investments"*
  - b. *Artic Coops Development Fund, in Quarter, J et al (2009) Understanding the Social Economy: A Canadian Perspective', pages 75 to 77, University of Toronto Press, Scholarly Publishing Division.*
  - c. *CAIC ([www.caic.ca](http://www.caic.ca)) early pioneer since the 1980s to provide access to capital for groups in the non-profit and social sectors. It is faith based community with assets of more than \$6 million, providing mortgages, construction financing, working capital loans and equity investments via different financing streams.*
  - d. *Triodos Bank, one of the world's leading sustainable banks.*

13. Toolbox 5: equity and investment, share offerings and crowdsourcing
- a. *Salamon (2014) 'New forms of grant-making: competitions, prizes and crowd sourcing'.*
  - b. *Seedsup.ca Crowdsourcing share offerings*
  - c. *Bill Young 'Social Capital Partners' and Winnipeg's winner.*
  - d. *McKinsey and Co. (2009) 'And the Winner is... Capturing the promise of philanthropic prizes'.*
14. Toolbox 6: Sector capacity building organizations, a policy agenda for the future
- a. *Harji, K. et al (2012) Redefining returns: social finance awareness and opportunities in the Canadian Financial Sector, Toronto, Venture Deli.*
  - b. *O'Sullivan, C. et al. (2012) 'Financing Social Impact. Funding social innovation in Europe – Mapping the way forward', European Union, Belgium.*
  - c. *Salamon (2014) Chapter 24 'A policy agenda for the new frontiers of philanthropy'*
  - d. *Case study: the West Coast Infrastructure Exchange in British Columbia, Strategic Final Report 2012.*
  - e. *Case study: Habitat and Community Development Financial Institution (CDFI) Coalition Institute and the enactment of legislation establishing the CDFI Fund / channeling through land trusts in the case of co-operative housing. UN-Habitat 'Shelter for all' [http://www.cdfi.org/wp-content/uploads/2014/03/20th-Anniversary-Report\\_FINAL.pdf](http://www.cdfi.org/wp-content/uploads/2014/03/20th-Anniversary-Report_FINAL.pdf)*
15. **Team Case Presentations** to Panel of Experts. Two classes destined to group presentations. Course revision and questions. Team written paper due. Personal paper due.