Social Sector Access to Finance – What do we Know?

% of income earned through trade

26% to 50% 51% to 75% 76% to 100%

% of respondents 2015

11% 16% 73%

Bouncing back: The proportion of social enterprises that grew over the past 12 months stands at 52%, close to the record high of 55% in 2009 and an uplift from 32% in 2013. Only 40% of SMEs reported an increase in turnover. Social enterprise is at the forefront of the economic recovery.

52% of social enterprises increased their turnover in the last 12 months

Social enterprise is where the action is: The start-up explosion first seen in 2011 was only the beginning. The proportion of social enterprises that are three years’ old or less now stands at a remarkable 35% – more than three times the proportion of start-ups compared with SMEs (11%). Close to half (49%) of all social enterprises are five years’ old or less. In terms of new business formation in the UK, social enterprise is where the action is.
**Why do we need Social Investment Tax Relief?**

**FACTS, STATS & LEVELLING THE PLAYING FIELD**

**Barrier to growth:** 48% of charities and social enterprises identify a lack of available and affordable finance as the single largest barrier to their sustainability, versus 33% of SMEs.

**Lack of appropriate finance:** 63% of social enterprises seek long-term loans and 48% want funding with a mix of debt and equity.

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**EIS and VCT** provide incentives for equity investment into SMEs, but few social enterprises and no charities can benefit because of legal form.

**Gift Aid** provides relief for donations only.

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73% of prospective high-net-worth investors have indicated tax relief is key incentive to invest in social investment products.\(^4\)
GET SITR CAMPAIGN

• MASS EDUCATION
  – Email, events, resources, media

• ADVISORS & PROVIDERS
  – Awareness, knowledge & expertise

• MARKET LEADERS
  – Support for first 30 deals
  – PR, legal, research, strategy, tax, comms

resonance
WHO’s GOT IT

Who's Got It is a pipeline of big society capital projects.

- **FairShare South West**: 40-75k
- **FC United of Manchester**: 275k
- **Ambition East Midlands**: 275k
- **Aspire Gloucestershire**: 275k

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