



# Municipal Opportunities for Accelerating COVID-19 Recovery in Calgary

## Increasing inclusion and supporting local business

August 2021



## Municipal Opportunities for Accelerating COVID-19 Recovery in Calgary

### Increasing inclusion and supporting local business

#### Executive Summary

This policy brief aims to inspire and engage the new Calgary City Council by sharing data and solutions for accelerating our economic and social recovery from the pandemic. Increasing inclusion and supporting local business are two critical strategies.

Inclusion is fuel for economic growth, yet approximately 189,000 (12.3%) Calgarians live in poverty, including 39,000 children. People most at risk of poverty include single parents, Indigenous peoples, seniors, recent immigrants, and people with disabilities. Calgarians who were experiencing poverty and inequality before COVID-19 began were hardest hit by the pandemic. Eighty percent of Calgarians believe poverty is a problem we need to address and 82% believe that racism exists. There is a shared concern about growing income disparity and inequality in general.

Many local businesses struggled to stay afloat during the pandemic. More than 70% of Calgary businesses saw a decline in revenues throughout the pandemic and 70% of the businesses in the city accessed at least one relief program.



Buying local accelerates local economic development through more dollars circulating in the local economy, increased job creation, higher wages, and cultivating a community's unique character, among other benefits. By supporting local business owners, social enterprises, and social service organizations, our money stays here – reaping the local multiplier effect. We also know that inclusion is fuel for economic growth. Economies grow faster, more strongly, and for longer periods, when there is greater equality.

Moral and ethical arguments aside, data tells us that inclusion and support for local businesses is an economic imperative. There is no economic recovery without support for local and small businesses and our potential is limited unless we truly embrace inclusion. What do the principles of local and inclusive policy making look like in action? The following policy recommendations provide some important examples, blending social and economic returns for our city.

- ✓ Seek community benefits through procurement
- ✓ Support social enterprise growth
- ✓ Integrate financial empowerment into City services
- ✓ Invest in workforce development for the most marginalized
- ✓ Advance the *Enough for All* poverty reduction strategy
- ✓ Create an Indigenous Gathering Place
- ✓ Boost low incomes
- ✓ Maintain funding for vital low-income programs and services



Momentum has worked with over 50,000 Calgarians since 1991 to get a good job, start a business, and build their assets. Last year Momentum provided 70 active micro business loans which created 111 jobs in the community. Eighty-two percent of Momentum participants increased their income or savings, and 94% of COVID helpline callers felt more hopeful for the future because of this support. Momentum shares key learnings from our participants, programs, and community research with all orders of government to inform public policy.

**To learn more or to connect, reach out to the Public Policy Team at Momentum.**

[publicpolicy@momentum.org](mailto:publicpolicy@momentum.org)  
<https://momentum.org/>  
403-204-6180

## Issue

Individuals experiencing social and economic exclusion, including those living in poverty, were hit hardest by the pandemic.<sup>1</sup> Many local businesses struggled to stay afloat and to keep staff employed.

Approximately 189,000 (12.3%) Calgarians live in poverty, including 39,000 children.<sup>2</sup> People most at risk of poverty include women, single parents, seniors, Indigenous peoples, recent immigrants, and people with disabilities.<sup>3</sup> Calgary has also had the highest annual unemployment rate among cities in Canada in four out of the past five years.<sup>4</sup> For a more detailed analysis of poverty in Calgary visit Vibrant Communities Calgary's interactive map of [Calgary Ward Poverty Profiles](#).

Eighty percent of Calgarians believe poverty is a problem we need to address and 82% believe that racism towards Black, Indigenous, and People of Colour exists.<sup>5</sup> Thousands marched in Calgary streets in support of Black Lives Matter last year. Confirmation of unmarked graves of Indigenous children at sites of former Residential Schools has awakened more Canadians to the necessity and opportunities of [Truth and Reconciliation](#). There is a shared concern about growing income disparity and inequality in general.<sup>6</sup>

Many local businesses struggled to stay afloat during the pandemic. More than 70% of Calgary businesses saw a decline in revenues throughout the pandemic, with the average business seeing 48.9% less revenue, and 70% of the businesses in the city accessing at least one relief program.<sup>7</sup> The economic recession caused by the COVID-19 pandemic is among the worst in Alberta in three decades.<sup>8</sup>

## Opportunity

Moral and ethical arguments aside, data tells us that inclusion and support for local businesses is an economic imperative. The City of Calgary can amplify both economic and social outcomes by ensuring policies and programs improve economic inclusion and support local businesses.

---

**Inclusion is fuel for economic growth.<sup>9</sup> Economies grow faster, more strongly, and for longer periods, when there is greater equality.<sup>10</sup>**

---

The Calgary Chamber of Commerce aptly notes that “without tapping into the skills and expertise of those who have historically been marginalized, we are leaving great talent, productivity, and capital on the sidelines. In other words, reducing poverty, inequality, and improving health and education outcomes contributes directly to economic growth.”<sup>11</sup>

The benefits of buying and supporting local are well documented: more dollars circulate in the local economy, increased job creation, higher wages, and cultivating a community's unique character, among other benefits.<sup>12</sup> By supporting local business owners, social enterprises, and social service organizations, our money stays here reaping the [local multiplier effect](#). One great example of this phenomenon is Calgary's [Be Local Network](#), a collection of more than 350 community focused businesses advancing our social, environmental, and economic wellbeing.

There is no economic recovery without support for local and small businesses and our potential is limited unless we truly embrace inclusion.<sup>13</sup> What do the principles of local and inclusive policy making look like in action? The following policy ideas blend social and economic returns for our city and maximize the effectiveness and efficiency of government dollars.

# Recommendations

## 1. Seek community benefits through procurement

Every purchase has an economic, environmental, and social impact, whether intended or not. Currently, the City's procurement system is mostly set up to achieve the best price. Social procurement or benefit driven procurement aims to achieve the greatest value by leveraging spending to maximize positive economic, social, and other community benefits. Social procurement can be used to:

- Support the local business community in economic recovery and job creation.
- Prioritize skills training and access to good jobs for diverse Calgarians who are unemployed or living on low-income.
- Increase supply chain diversification, including social enterprise and businesses owned by diverse and often more marginalized demographics.
- Develop the capacity of social enterprises across the city.

Cities across Canada are embracing social procurement, including [Edmonton](#), the [Regional Municipality of Wood Buffalo](#), and [The City of Calgary](#). [The City of Toronto](#) and [BC Coastal Communities](#) have advanced social procurement most notably. The City of Calgary's [Benefit Driven Procurement Strategy](#) has piloted more than 20 RFPs valued at over \$20M, seeking opportunities to achieve the greatest community benefits possible. This work can and should continue and inform a new policy for the \$1+ billion spent annually through procurement at The City of Calgary.

An untapped opportunity in Calgary is the introduction of [Community Benefit Agreements](#) (CBAs) to maximize outcomes from major infrastructure investments. We can draw from the experiences of [Metrolinx](#), the largest infrastructure project in Canada, which is delivering new rapid transit

across Ontario in addition to employment, training, and apprenticeship opportunities to historically marginalized peoples, as well as local supplier opportunities.

### Policy in Action

- Build on The City of Calgary's Benefit Driven Procurement pilot projects and ensure the successful implementation of the forthcoming procurement policy through ongoing training, ambitious goal setting, and political support.
- Implement a Community Benefit Agreement for all infrastructure projects over \$10M to maximize training and employment opportunities and procurement from local businesses.
- In addition to the federally required Community Employment Benefit (CEB) targets for construction of the Green Line, develop a Community Benefit Agreement in collaboration with major private sector vendors, communities, business districts and networks.

## 2. Support social enterprise growth

[Social enterprises](#) embed a social, cultural, or environmental purpose into their business, and reinvest profits into their social mission. Social enterprise is an underutilized tool in Calgary. These innovative businesses, both for profit and not-for-profit, are an important potential part of economic and social development in Calgary. Social enterprises can contribute to job creation, employment and skills training, reducing crime, increase our tax base and decrease the costs associated with health care, justice, and social services. The City of Calgary can advance social enterprise and amplify their impact as a customer, investor, and capacity builder.

## Policy in Action

- Procurement: Reduce red tape and barriers for social enterprises to do business with The City such as unbundling of large contracts and supporting the sub-contracting of social enterprises. Invest in [social procurement intermediaries](#) or brokers to grow both supply and demand for social enterprise.
- Development: Invest in and support training and mentorship to help launch, scale, and improve social enterprises' financial sustainability and social impact.
- Finance: Support innovation in local social finance through financial support and policy change. For example, The City of Edmonton financed the startup of the [Alberta Social Enterprise Fund](#). Gather further information from existing social finance leaders in Alberta such as [Alberta Social Economy Ecosystem Development \(AB Seed\)](#), [Local Investing YYC](#), and the [Alberta Community and Cooperative Association](#).

### 3. Integrate financial empowerment into City services

Calgarians are struggling financially. Savings and assets are a critical first line of defense against emergencies, financial shocks, and unforeseen expenses that can push people into poverty. Data shows that by building financial help into city services like employment, housing, social assistance and healthcare, cities can enable residents to move from poverty to prosperity while boosting overall program outcomes – dubbed the [supervitamin effect](#).

In the USA, the Cities for Financial Empowerment Fund improves financial stability by embedding financial empowerment services in local governments.<sup>14</sup> In Canada, Prosper Canada's [Prosperity Gateways: Cities for Financial Empowerment](#) initiative supports municipalities to reduce poverty by building financial help into existing city services. In Edmonton, support has been integrated into the subsidized transit and recreation programs. In Toronto, the Public

Library system is the focus. Supports like financial coaching/counselling, tax clinics and help accessing benefits improve participant income, saving and debt levels, enhance credit scores and reduce financial stress.

In Calgary, the Aspire Financial Empowerment network is a multi-sector collaborative of over 30 organizations working to implement financial empowerment. In 2019 alone, [Aspire](#) supported 11,212 program participants to reduce debt, grow savings and build assets. Aspire's partner agencies are very active in hosting tax clinics in Calgary. The local tax filing work was highlighted in a [media story](#) earlier this year that featured a tax clinic participant who was able to move out of homelessness after filing his taxes.

The City of Calgary supports Financial Empowerment programming through Family and Community Support Services and various community social work programs in a limited capacity. There is greater potential to support the financial resilience of more Calgarians.

## Policy in Action

- Collaborate with Aspire and Prosper Canada to identify additional prosperity gateways for Calgarians and integrate Financial Empowerment into City services and programs.

### 4. Invest in workforce development for the most marginalized

Many Calgarians continue to feel the strain of increased unemployment due to COVID-19 and structural changes within the oil and gas sector. The negative impacts of prolonged high unemployment on individuals, families, and communities is well documented.<sup>15</sup> The City of Calgary, together with community partners can play an important role to ensure Calgarians have access to upskilling and reskilling opportunities that lead to quality, stable jobs for individuals most at risk of being left behind in a recovery.<sup>16</sup>

Local workforce partnerships bring together diverse labour market stakeholders to address

specific workforce challenges such as skills shortages in key sectors of the economy or labour market attachment among under-represented groups. For example, the Austin, Texas [Community Workforce Plan](#) connects economically disadvantaged residents to middle-skill jobs across multiple sectors and industries to improve their access to employment and economic opportunity. Another example is the [Cleveland Innovation Project](#) which aims to make the city a leader in technology-led growth and inclusion.

### Policy in Action

- Create Local Workforce Partnership Councils for specific sectors, in collaboration with Calgary-based businesses, government representatives and employment training providers to create pathways to employment focused on poverty reduction, diversity, equity, and inclusion.
- Reinvest in the Calgary Youth Employment Centre to increase its capacity to connect youth to training and employment in emerging industries/jobs of the future.

## 5. Advance Enough for All as part of Calgary's recovery

Calgary's Enough for All (E4A) strategy was the first poverty reduction strategy in both Calgary and Alberta. It was developed in partnership with The City of Calgary and unanimously approved by Council in 2013. Enough for All aims to ensure that Calgary is a strong, supportive and inclusive community, where everyone has sufficient income and assets to thrive, and where all Indigenous people are equal participants in Calgary's future.

Over the past 5 years, the collective efforts of [E4A champions](#) have played a pivotal role in reducing poverty in Calgary by activating the strategy. Some achievements include the Community Hubs Initiative which is co-managed/funded between The City of Calgary, the United Way of Calgary and Area, and the Rotary Clubs of Calgary; the Sliding Scale

Low Income Transit Pass making transit more affordable for low income Calgarians; and raising the profile of poverty through research and awareness. There are 71 recommendations for policies that could support poverty reduction in Alberta, [22 of which have to-date been implemented](#). The [E4A Strategy](#) was updated in 2019 in collaboration with community partners.

### Policy in Action

- Maintain funding and support for the E4A strategy, including continued participation on the E4A Evaluation Committee.
- Continue to advance the E4A strategy through existing City strategies, initiatives and programs.

## 6. Create an Indigenous Gathering Place

There are over 500 places in Calgary devoted to culture and spirituality, and not one is specifically intended for Indigenous Peoples to gather. Alberta has the third largest Indigenous population among other provinces and territories in Canada. The [Indigenous Gathering Place](#) (IGP) is meant to be a space to share, connect, heal, renew, and celebrate Indigenous cultures. It is envisioned to include indoor and outdoor space for celebrations, events, business, food and beverage, welcoming tourists and non-Indigenous visitors.

In 2021 the IGP Board formalized its relationship with The City of Calgary through a Memorandum of Understanding (MOU), which was validated through a Pipe Ceremony. The MOU speaks to the shared commitment of the IGP Board and The City to build an Indigenous Gathering Place in Calgary. The intent is to build at the confluence of the Bow and the Elbow Rivers, in a central location that is accessible to all.

The importance of an IGP is reflected in no less than six City of Calgary policies and strategies, including the White Goose Flying Report, Enough for All poverty reduction strategy, as well as the Truth and Reconciliation Commission's Calls to Action.

## Policy in Action

- Work with the IGP Board to confirm a location at the confluence of the Bow and Elbow Rivers this year.

## 7. Boost low incomes when possible

Low wages erode our economic and social success as a city. Although most Calgarians living in poverty have a job, the wages simply do not meet the cost of living.<sup>17</sup> There is a push for higher minimum wages across North America; advocacy for [living wage](#) policies; as well as a [universal or basic income](#), which would ensure a certain amount of income to all residents.<sup>18</sup> Universal or basic income policies continue to show promise as do living wage initiatives.<sup>19</sup>

The City of Calgary has previously considered implementing a Living Wage policy. In March 2009, Administration reported to The City Standing Policy Committee on Finance and Corporate Services recommending that a Living Wage policy be adopted for all of the City's regular full-time and part-time staff. However, on April 6, 2009, City Council voted "no" to a Living Wage policy while The City of Edmonton passed a [living wage policy](#) in 2018.

The [Alberta Living Wage Network](#) (ALWN) educates and advocates for a living wage across the province and shares a spotlight on living wage employers. Vibrant Communities Calgary (VCC) provides leadership, resources, support and advocacy for living wage policies in Calgary, including the publication of the [Calgary's 2020 living wage report](#). In 2021, the Living Wage for Calgary is \$20.32/hour. Last year, 81% of the employees in the [Be Local](#) business network in Calgary were paid above a living wage (6% of businesses actually increased their employees' salaries mid-pandemic to pay more people a living wage). If small, locally owned businesses can make this a priority, so too can The City with support and resources from both VCC and the Alberta Living Wage Network.

## Policy in Action

- Implement a Living Wage Policy, in collaboration with the Alberta Living Wage Network, ensuring that all City staff and contractors earn a living wage.
- Ensure that Living Wage Leaders are awarded value in City procurement policies and practices.
- Advocate for a universal or basic income in Canada as included in the Resilient Calgary Strategy – investing in equitable economic development.

## 8. Maintain funding for vital services that benefit families and people living on low-income

### [Family and Community Support Services \(FCSS\)](#)

Calgary supports non-profit organizations that provide preventive social services to tens of thousands of Calgarians, helping people develop independence, strengthen coping skills, and become resilient to crisis.

Since 1966, The City of Calgary has partnered with the Government of Alberta to jointly fund FCSS. The Province contributes up to 80% of the program cost and The City covers a minimum of 20%. Calgary City Council has chosen to cover 25% of the FCSS budget (\$9.9M last year). Last year, FCSS invested in 77 organizations and 145 different programs. Calgarians who participated in these programs experienced improved financial stability, social interactions, and family resiliency, among [many other important outcomes](#).

## Policy in Action

- Maintain or increase The City's 25% contribution to the FCSS Program.



## Endnotes

1. Vibrant Communities Calgary. (2020). *Poverty Snapshot in Calgary*. <https://enoughforall.ca/resources/poverty-snapshot-in-calgary-2020>
2. Statistics Canada. 2018 data based on the Market Basket Measure. Table 11-10-0135-01 Low income statistics by age, sex and economic family type. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110013501>
3. Vibrant Communities Calgary. (2018). Poverty in Calgary: A Picture of the Incidence and Experience of Low Income in Calgary and Area [News release]. <https://enoughforall.ca/articles/poverty-in-calgary-a-picture-of-the-incidence-and-experience-of-low-income-in-calgary-and-area>
4. Statistics Canada Table: 14-10-0096-01 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410009601>
5. Calgary Foundation. (2020). Calgary Vital Signs. <https://calgaryvitalsigns.ca/living-standards/>
6. Calgary On Purpose. (2020, July). Toward understanding a shared story of Calgary and its people now and in the future: an interpretive description. <https://static1.squarespace.com/static/5cf550afee539b00014dd9a3/t/5f5a5d0280cc632d6708cd7a/1599757571590/Final+Report+-+Calgary+on+Purpose+-+Research+Study+July+2020.pdf>
7. MacVicar, A. (2021, March). Calgary businesses have struggled during COVID-19 pandemic but remain optimistic: poll. Global News. <https://globalnews.ca/news/7725946/calgary-business-optimism-poll/>
8. Labine, J. (May 2021). Economic impacts from COVID-19 on par with 'worst recession in 30 years:' ATB Financial. Edmonton Journal. <https://edmontonjournal.com/business/local-business/atb-business-story>
9. Deloitte. (2019, August). *The economic benefits of improving social inclusion*. <https://www2.deloitte.com/content/dam/Deloitte/my/Documents/risk/my-risk-sdg10-economic-benefits-of-improving-social-inclusion.pdf>  
  
The benefits of an inclusive economy. Remarks delivered by Tiff Macklem - Governor Universities of Atlantic Canada, Halifax, Nova Scotia, May 13, 2021 <https://www.bankofcanada.ca/2021/05/benefits-inclusive-economy/>
10. McKinsey & Company. (2021, April). *The case for inclusive growth*. <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-case-for-inclusive-growth#>
11. Calgary Chamber of Commerce. (2021, June). Inclusive Growth: The path to economic recovery through inclusion. <https://www.calgarychamber.com/influenceq2-inclusive-growth>

12. LOCO BC Local Purchasing Impact Studies and Resources <https://www.locobc.ca/cpages/local-purchasing-research>  
Institute of Local Self-Reliance <https://ilsr.org/why-support-locally-owned-businesses/>  
Michael Shuman <https://michaelshuman.com/store/>  
CCEDNET Why does going local matter? <https://ccednet-rcdec.ca/en/toolbox/guide-going-local>  
Common Future – What does an equitable economy look like? <https://www.commonfuture.co/stories/what-does-an-equitable-economy-look-like/>
13. Future Skills Centre. (2021). *Supporting entrepreneurship and SMEs: A Post-Pandemic Skills Training Agenda*. [https://fsc-ccf.ca/research/supporting-entrepreneurship-and-smes/?utm\\_source=FSC-CCF+Mailing+List&utm\\_campaign=045c21114f-Research+Spotlight+e-blast-May+3%2C+2021\\_COPY\\_01&utm\\_medium=email&utm\\_term=0\\_6f8b70274b-045c21114f-446203326](https://fsc-ccf.ca/research/supporting-entrepreneurship-and-smes/?utm_source=FSC-CCF+Mailing+List&utm_campaign=045c21114f-Research+Spotlight+e-blast-May+3%2C+2021_COPY_01&utm_medium=email&utm_term=0_6f8b70274b-045c21114f-446203326)
14. Cities for Financial Empowerment (2017). An Evaluation of Financial Empowerment Centers: Building People’s Financial Stability as a Public Service <http://cfefund.org/wp-content/uploads/2017/07/FEC-Eval-Executive-Summary.pdf>
15. McBride, S. (1999). Towards Permanent Insecurity: The Social Impact of Unemployment. *Journal of Canadian Studies*. 34:2, 13-30.
16. Irons, J. (2009). *Economic scarring: The long-term impacts of the recession*. Economic Policy Institute, Briefing Paper #243. <https://files.epi.org/page/-img/110209scarring.pdf>
17. Vibrant Communities Calgary and the Canadian Poverty Institute. (2021). *Risk and Depth of Poverty in Calgary*. <http://vibrantcalgary.com/wp-content/uploads/2020/10/The-Depth-of-Poverty-in-CalgaryFinal.pdf>
18. Income inequality part one: what drives the gap and why it matters. (2021, May). *Business Council of Alberta*. <https://www.businesscouncilab.com/work/income-inequality-part-one-what-drives-the-gap-and-why-it-matters/>
19. The Mayors for a Guaranteed Income initiative in the US includes almost 60 cities, and 25+ running pilots to research effects of small guaranteed income (\$4-500/month) <https://www.mayorsforagi.org/>. A [guaranteed income experiment in Stockton, California](#) showed positive outcomes in employment, productivity, debt, health, and other social indicators.