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# Place-Based Social Innovation: An Exploratory Study of Community Foundations in Rural Atlantic Canada

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## Abstract

From rising inflation to volatile natural resource markets, rural areas in Atlantic Canada face challenges in building the socio-economic resilience of their communities. Research on social innovation for regional development in Atlantic Canada remains limited and fragmented, with recent research suggesting that further work is required to better understand the breadth of social finance and innovation in Atlantic Canada (Oldford et al., 2024). This manuscript addresses this gap through an exploratory study of social innovation practices in rural Atlantic Canada. Community foundations are place-based philanthropic organizations that manage endowed funds, make grants, and convene community actors to support local priorities. Specifically, this research is focused on innovative tools and approaches for strategic planning as it pertains to community foundations in Atlantic Canada and examines how place- and context-specific conditions shape social finance and philanthropy. Outcomes of this research have the potential to address research gaps in a cohesive understanding of philanthropy in Atlantic Canada and the role and engagement of foundations within the broader landscape of social finance and innovation.

**Keywords**: social innovation, rural, Canada, social finance, place-based philanthropy

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# Innovation sociale ancrée dans le territoire : étude exploratoire des fondations communautaires dans les régions rurales du Canada atlantique

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## Résumé

Face à l'inflation galopante et à la volatilité des marchés des ressources naturelles, les régions rurales du Canada atlantique doivent relever des défis pour renforcer la résilience socio-économique de leurs communautés. La recherche sur l'innovation sociale au service du développement régional dans le Canada atlantique demeure limitée et fragmentée. Des études récentes suggèrent qu'il est nécessaire d'approfondir la compréhension de l'étendue de la finance sociale et de l'innovation dans le Canada atlantique (Oldford et al., 2024). Cet article comble cette lacune par une étude exploratoire des pratiques d'innovation sociale dans les régions rurales du Canada atlantique. Les fondations communautaires sont des organismes philanthropiques ancrés localement qui gèrent des fonds de dotation, octroient des subventions et mobilisent les acteurs communautaires pour soutenir les priorités locales. Plus précisément, cette recherche porte sur les outils et les approches novateurs en matière de planification stratégique pour les fondations communautaires du Canada atlantique et examine comment les conditions territoriales et contextuelles influencent la finance sociale et la philanthropie. Les résultats de cette recherche pourraient contribuer à combler les lacunes actuelles en matière de compréhension globale de la philanthropie dans les provinces de l'Atlantique, ainsi que du rôle et de l'engagement des fondations dans le contexte plus large de la finance sociale et de l'innovation.

**Mots-clés** : innovation sociale, milieu rural, Canada, finance sociale, philanthropie territoriale

## 1.0 Introduction

Atlantic Canada, which is composed of the provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and the historical territories of the Mi'kmaw, Naskapi, Beothuk, and Nunatisavut peoples, is home to approximately 2.4 million people. Much of the provinces is, in fact, predominantly rural; for example, 44% of the population of Newfoundland and Labrador lives within the St. John's Census Metropolitan Area (Statistics Canada, 2021). Community foundations are independent, non-governmental philanthropic organizations governed by local boards that steward permanent endowment funds, distribute grants based on community needs, and often act as conveners and intermediaries in the social economy (Community Foundations of Canada, 2025; Barrett & Gibson, 2014). In Atlantic Canada, where there are 10 such foundations (six in New Brunswick, two in Nova Scotia, one each in Prince Edward Island and Newfoundland and Labrador), they play a vital role in a region characterized by rurality, resource dependency, and high rates of charitable giving. This study focuses on their strategic planning practices and social innovation efforts amid structural constraints.

Related to its rurality, the primary economies of Atlantic Canada are natural resource industries, including fishing (of which the Atlantic provinces account for approximately 75% of Canada's fish production), hydroelectricity, forestry, and mining (Poulin, 2024). Atlantic Canada also has amongst the highest rates of charitable giving and philanthropy across the country (Petric et al., 2026). In recent times, there has been a renewed interest in exploring alternative arrangements to promote rural sustainability beyond the dependency on extractive resources in rural communities (Barrett & Vodden, 2022). In periods of market volatility, natural resources create vulnerabilities that rural communities are predominantly at risk of, creating potential barriers to sustaining their communities that can last for decades. Philanthropic initiatives and social innovation pursuits have been identified as an unexplored avenue that can contribute to rural vitality (Gibson & Barrett, 2018). Research has demonstrated that rural residents often have higher attachments to place compared to their urban counterparts, and this is often actioned through volunteerism and charitable giving.

This study responds to calls for alternative rural development models by examining social innovation in community foundations across Atlantic Canada. In doing so, it emphasizes the value of place, whether via innovation, personnel, or resources, in positively contributing to the sustainability of communities. In addition to resource volatility, the non-profit sector faces unstable and short-term funding structures, reinforcing the need for innovative approaches. This emphasis on place also raises a critical question that runs through the remainder of the paper: whether the generosity and high attachment to place observed among rural residents reflects cultural disposition alone, or whether it is better understood as a response to longstanding patterns of rural underdevelopment and limited state and market investment, a question this study returns to in the discussion.

## 2.0 Literature Review

Before turning to the broader literature, we define three terms central to this study. We use the term *philanthropic organizations* as an umbrella term for the spectrum of charitable, philanthropic, and social-investment actors described above, including non-profits, charities, private and public foundations, social enterprises, and cooperatives. Within this spectrum, we define a community foundation specifically as an independent, place-based philanthropic organization, governed by a local volunteer board, that stewards a permanent endowment, distributes grants according to community-identified priorities, and frequently acts as a convener and intermediary within the local social economy (Barrett & Gibson, 2014). We define social finance as the deployment of financial and non-financial resources, such as impact investing, blended finance, and Environmental, Social, and Governance [ESG]-aligned investment, to generate both social and environmental impact and financial return, extending beyond traditional grantmaking (Oldford et al., 2024). Community foundations are the focus of this study because they occupy a distinctive institutional position relative to other philanthropic organizations: unlike single-issue charities or private foundations, they hold permanent, place-bound endowments and are structurally mandated to respond to the priorities of the specific community in which they are embedded, making them a particularly revealing lens through which to examine how social finance and innovation are negotiated locally. Atlantic Canada offers a particularly important context in which to examine these dynamics, given the region's pronounced rurality, dependence on volatile natural-resource economies, and comparatively high rates of charitable giving and volunteerism (Petric et al., 2026; Poulin, 2024).

Atlantic Canada's ten community foundations represent a small fraction of Canada's broader community foundation sector, which comprises approximately 190 community foundations nationally holding combined assets of more than $5 billion, with the largest endowments and most active foundations concentrated in Ontario, Quebec, and British Columbia (Community Foundations of Canada, n.d.). Centralized, province-by-province data on the assets held specifically by Atlantic community foundations relative to total national community foundation assets are not publicly available; however, sector reporting and charitable-sector data consistently indicate that Atlantic foundations manage modest endowments by national standards, reflecting both the region's smaller population base and its historically lower concentration of large private wealth (Barrett & Gibson, 2014; Petric et al., 2026). Within the regional charitable landscape itself, community foundations also represent a comparatively small share of overall giving when measured against donations to religious organizations, health charities, and direct social-service providers, which together account for the bulk of registered charitable giving in Atlantic Canada (Petric et al., 2026). Community foundations nonetheless occupy an outsized role relative to their asset base because of their convening, intermediary, and place-based grantmaking functions, a dynamic explored further in the Findings and Discussion sections of this paper.

It should be noted how philanthropy is understood in this study. Rather than limiting the concept to charitable donations, the authors frame philanthropy as a spectrum ranging from informal acts of care and volunteerism to formal grantmaking and social investment. This continuum includes non-profits, charities, foundations, social enterprises, and cooperatives, reflecting a blending of social and financial objectives. Importantly, philanthropy is conceptualized as inherently relational, involving interactions among donors, recipients, institutions, and broader communities. This perspective aligns with Lefevre and Fontan's (2017) notion of a "philanthropic ecosystem," which includes governments, private sector actors, and civil society organizations. The relational framing also highlights power dynamics and the interconnected roles of public and private resources, particularly given that philanthropic funds are partially derived from public tax incentives (Elson et al., 2014). There are also considerations of the differences between Western notions of philanthropy as charity with Indigenous perspectives emphasizing reciprocal relationships, intergenerational responsibility, and community well-being (Pearson, 2022). This distinction underscores the need to critically examine the colonial and racialized foundations of the philanthropic sector (Saifer, 2021).

Rural areas play a significant role in shaping philanthropic dynamics. While rural communities often have more charities per capita, these organizations typically have fewer resources and face greater administrative burdens than their urban counterparts (Reid, 2024). Place-based philanthropy emerges as a promising approach to addressing these disparities by tailoring initiatives to local contexts and fostering community engagement. Atlantic Canada exhibits distinct philanthropic behaviours compared to other regions of Canada. Residents are among the most generous in terms of both donations and volunteer hours, although the average monetary contributions tend to be lower. This pattern reflects strong community ties and a deep sense of place, which motivate individuals to contribute to local well-being.

A dominant theme in the literature is the strong connection between philanthropy and the social economy in Atlantic Canada. The region's history of economic marginalization and rural isolation has fostered a tradition of community-based solutions and collective action. Social economy organizations, defined as democratically governed entities serving public or mutual benefit, play a key role in addressing socio-economic challenges. The legacy of movements such as the Antigonish Movement illustrates how education, cooperation, and local self-reliance have shaped regional development. Contemporary examples include social enterprises like St. Anthony Basin Resources Inc. (SABRI), which integrates economic, social, and environmental goals to support community resilience and is an example of innovative approaches in the social economy, or social innovation, to enhance rural areas (Barrett & Vodden, 2022). However, the literature also highlights challenges within the social economy. These include inconsistent terminology, limited funding, difficulties in volunteer recruitment, and pressures to adopt business-oriented models. Government policies often prioritize economic outcomes over social and cultural objectives, which can undermine community-based initiatives (Krawchenko, 2017). Additionally, collaboration gaps and limited connections to broader networks hinder the effectiveness of social economy organizations, particularly in rural areas.

In this study, social finance refers to the deployment of financial and non-financial resources, such as impact investing, blended finance, and ESG-aligned investments, to generate both social/environmental impact and financial returns, going beyond traditional grantmaking (Oldford et al., 2024). Community foundations in Atlantic Canada operate as flexible intermediaries with relatively modest endowments compared to national peers. While exact national asset shares are not centralized, Atlantic foundations manage smaller pools of capital and emphasize place-based, relational grantmaking amid regional economic marginalization (Barrett & Gibson, 2014; Petric et al., 2026). This prominence of philanthropy partly reflects broader patterns of rural underdevelopment, where limited public investment and volatile resource economies increase reliance on voluntary and community-based solutions.

Much of the existing research on social innovation and philanthropy in Atlantic Canada today follows up on the initial research led by Barrett and Gibson (2014), Gibson et al. (2014) and Gibson and Barrett (2018), which features preliminary research pertaining to philanthropic initiatives across the Atlantic region. Key points from this research have been made by other researchers, such as Foster et al. (2021) and Holland (2022) where they reiterate the vital role communities play in the social fabric and social economy in Canada, the complex dynamics present to understand the role they play in enhancing sustainable well-being, as well as the potential they have for cultural and economic resilience (Slawinski, 2016).

More recent research has provided evidence for community solutions to complex problems, such as climate change and COVID-19, with a growing emphasis on the value of collaborative and place-based alternatives (Dombroski et al., 2020; Kincaid et al., 2020). Innovative approaches are beginning to come to fruition to address social problems, such as food insecurity (Doyle, 2021), as well as economic issues, such as diversifying local economies beyond natural resources (Barrett & Vodden, 2022). The innovative approaches of the volunteer sector have been less understood, with the need to establish formal networks to connect these silos between the public, private, and volunteer sectors (Crosby et al., 2018). Through a collaborative learning relationship, the co-creation of knowledge can take place as a means of social innovation, addressing the knowledge gap in the volunteer sector (Anderson et al., 2021; Levkoe et al., 2021).

Yet, work must continue to better understand the breadth of social finance and innovation in Atlantic Canada and the role of community foundations and their strategic planning efforts to position themselves within the broader social finance landscape. A recent academic article, co-authored by community foundations in Atlantic Canada, suggests that there is further room to work collaboratively in the social innovation space in Atlantic Canada, and that there is a gap in understanding collectively the social finance strategies, case studies, academic research and innovative ideas in Atlantic Canada, and what new tools may need to be in place to foster this connection (Oldford et al., 2024). Furthermore, it represents a call for continued work in social innovation in Atlantic Canada, particularly as it pertains to working collaboratively between the public, private, and volunteer sectors and co-construction of new knowledge for place-based development (Oldford et al., 2024). As such, this manuscript aims to identify the specific ways new social innovation approaches can enhance the resiliency of rural communities by examining the latest data on philanthropy in Atlantic Canada.

## 3.0 Methods

This exploratory study employed qualitative research via semi-structured interviews to obtain preliminary findings regarding the role of social innovation in rural Atlantic Canada community foundations. Semi-structured interviews enabled in-depth perspectives and flexibility in exploring emergent themes (Knott et al., 2022; Mullings, 1999; Sabot, 1999). The selected participants were identified based on their knowledge of philanthropy and social innovation, and had some connections to the researcher, which is a common approach used by other rural researchers such as Carter & Vodden (2018).

There are ten community foundations in Atlantic Canada: one in Newfoundland and Labrador, one in Prince Edward Island, two in Nova Scotia, and six in New Brunswick. Efforts were made to recruit a representative from each community foundation to participate in this study. Hence, five semi-structured interviews were conducted. These included one representative from a community foundation in each Atlantic province, as well as a representative from Community Foundations of Canada, the national network supporting community foundations. The interviews explored strategic approaches to philanthropy, social innovation, social finance, and future directions for the non-profit sector. All interviews were conducted via videoconference and lasted approximately 60 minutes. The participating community foundations reflect the diversity of the sector across Atlantic Canada. The ten foundations vary in size, geographic context, and organizational focus, with larger foundations in New Brunswick and Nova Scotia generally managing more substantial endowments and broader programming than those in Prince Edward Island and Newfoundland and Labrador. Collectively, Atlantic Canada's community foundations support hundreds of local initiatives each year, although publicly available comparative data on assets and grantmaking remain limited. The five interviews, representing each Atlantic province and the national network, provide insight into both shared priorities and region-specific approaches to community philanthropy.

The interview data was analyzed using qualitative thematic analysis manually by the research team. The analysis followed a deductive and inductive approach. Deductive codes were developed based on the research objectives and included themes such as social finance, innovation, strategic planning, and the role of community foundations. Inductive coding was used alongside this framework to identify themes that emerged from the interviews. These included place-based context, community sustainability and resilience, partnerships and collaboration, as well as emergent issues such as power and decision-making, equity and inclusion, risk and uncertainty, and narratives and legitimacy. Themes were refined through repeated reading and comparison across transcripts. An overview of the thematic analysis coding process is provided in Table 1. To situate the interview findings within the broader range of practices across the region, interview data were supplemented by a scan of publicly available materials—including strategic plans, annual reports, and websites—published by all ten Atlantic community foundations. This scan was not intended as a systematic or exhaustive document analysis, but rather as a contextual check used to confirm that the priorities, grantmaking approaches, and institutional roles described by interview participants were broadly consistent with practices visible across the wider population of Atlantic foundations, including those not directly represented among the five interviewees.

## 4.0 Findings

Findings are organized around the deductive and inductive themes outlined in Table 1. This section presents findings from the thematic analysis of interviews with philanthropic, community foundation, and non-profit actors across Atlantic Canada. The results are organized around the themes identified in the research framework. Attention was given to cross-cutting and emergent dynamics as well. Instead of presenting individual case narratives, the analysis highlights shared patterns, tensions, and variations across actors and institutional contexts. Participants emphasized narratives and legitimacy (see Table 1), often through storytelling that highlights reciprocal relationships and attachment to place (Pearson, 2022).

Table 1: *An Overview of the Thematic Coding Framework*

| **Code** | **Description** | **Illustrative Focus in Interviews** |
|---|---|---|
| **Primary / Deductive Themes** | | |
| Social Finance | Use of financial and non-financial capital beyond traditional grantmaking, including impact investing, ESG, blended finance, and alternative financing mechanisms | Constraints on social finance, fiduciary duty, donor restriction, de-risking, pooled and intermediary models |
| Social Innovation | New or adapted practices in funding, governance, decision-making, and institutional roles | Participatory grantmaking, experimentation, process innovation, and institutional learning |
| Strategic Planning | Formal and informal approaches to long-term direction-setting and coordination | Theory of change, strategic plans, sequencing of risk, alignment of data, funds, and grants |
| Role of Community Foundations | How community foundations understand and enact their mandate | Intermediary roles, trust-building, convening, governance functions, program administration |
| **Emergent / Inductive Themes** | | |
| Power & Decision-Making | How authority, influence, and control are exercised and negotiated | Donor intent, participatory processes, institutional authority, governance power |
| Equity & Inclusion | How fairness, access, and representation are addressed | Geographic equity, trust in local judgment, Indigenous and identity-based philanthropy |
| Risk & Uncertainty | Perceptions and management of financial, legal, and organizational risk | Fiduciary duty, fear of failure, legal constraints, experimentation boundaries |
| Narratives & Legitimacy | How legitimacy is constructed and communicated | Storytelling, public understanding, and justification of philanthropic roles |
| **Cross-Cutting Themes** | | |
| Place-Based Context | Influence of geography, regional identity, and local context on philanthropic practice | Rurality, provincial scale, Atlantic identity, local trust, distance from national systems |
| Community Sustainability & Resilience | The capacity of communities and organizations to adapt and endure over time | Capacity-building, burnout, long-term viability, systems thinking |
| Partnerships & Collaboration | Forms and functions of collaboration across sectors and institutions | Shared services, funder partnerships, ecosystem coordination, and collaboration limits |

## *4.1 Social Finance in Practice*

From the interviews, social finance was consistently described as both desirable and difficult to operationalize. Though participants expressed strong interest in aligning financial resources with social, environmental, and community outcomes, actual engagement with social finance tools was described as limited. According to one participant, interest in social finance exists within philanthropic organizations, but practical engagement remains limited due to structural constraints. The participant explained, "There's interest in social finance, but the structure just isn't there for us to do it in any meaningful way" (personal communication, participant 101325, October 10, 2025). This gap was shaped less by ideological resistance and more by governance structures, legal obligations, and institutional risk tolerance. Participants did not share a single definition of social finance. For some, social finance referred to the ethical alignment of all institutional assets with mission and values, including endowments and investment portfolios. For others, it was associated narrowly with impact investing or blended finance instruments. This conceptual ambiguity contributes to hesitation and uneven adoption.

The interviewees noted that social finance, ESG investing and impact investing were often used interchangeably, despite important differences. Another participant emphasized that legal and governance obligations shape how far organizations can go in aligning financial assets with social goals. As they noted, "We're bound by fiduciary duty and donor intent, so even when something aligns with our values, it doesn't mean we can move money that way" (personal communication, participant 110425, November 11, 2025). This ambiguity made it difficult to ensure that board members were comfortable with social financing and slowed the decision-making process, especially for smaller foundations with limited governance capacity. Legal and fiduciary responsibilities emerged as the most significant barriers to the implementation of social finance. Community foundations repeatedly cited the Trustee Acts, fiduciary duty, and donor intent as binding constraints that shape investment decisions. Even when social finance aligned with organizational values, boards were reluctant to pursue approaches perceived as legally uncertain or financially risky. In addition, the structure of philanthropic assets also limited flexibility. Many endowments were made up of donor-restricted funds, which left only a small portion of assets available for experimentation or higher-risk programs. As a result, social finance was discussed by participants as a future goal rather than something presently used at a large scale. These limitations were made worse by organizational size. Minimum investment requirements, high due diligence costs, and limited access to intermediaries made many social finance tools hard for smaller community foundations and regional organizations to use.

Despite these constraints, interviewees identified gradual ways to move toward social finance. Many participants described ESG screening as a lower-risk starting point that allowed organizations to align investments with their values without moving far from traditional investment practices. Although ESG was not seen as transformative, it was viewed as a practical compromise within existing governance structures. Other approaches were discussed as possible next steps but were limited by the same financial and capacity constraints. Other participants highlighted alternative approaches, such as pooled funds, intermediary models, and flow-through funding arrangements. From the perspective of the participants, these approaches allowed community foundations to participate in social finance indirectly by leveraging trust and administrative capacity rather than capital alone.

Some interviewees also described more ambitious visions of social finance based on community participation, shared local investment, and longstanding traditions of collective finance. These views challenged dominant national models and drew attention to the exclusion of Atlantic Canada from mainstream social finance systems. The findings suggest that the limited use of social finance in the region reflects challenges in governance and institutional design, rather than a lack of interest or commitment. Social finance was constrained by legal rules, donor arrangements, and risk cultures that emphasized protecting assets over experimentation. Where progress did occur, it was gradual, indirect, and often supported by trusted intermediaries.

### *4.2 Innovation Beyond Financial Instruments*

Throughout the interviews, innovation was rarely described as the creation of new financial products or technical tools. Instead, participants emphasized changes in processes, governance arrangements, and institutional roles. Participants consistently framed innovation as gradual and relational, and shaped by capacity limits and risk considerations rather than rapid or disruptive change. Interviewees most often discussed innovation in relation to how decisions are made rather than what is funded. Participatory grantmaking, collaborative funding approaches, and changes to internal decision-making processes were repeatedly identified as key areas of innovation. One participant explained this shift clearly, stating, “Innovation for us isn’t about new money. It’s about changing how decisions get made” (personal communication, participant 102325, October 23, 2025).

Instead of launching new programs or financial instruments, organizations focused on redesigning grant processes to reduce competition and to encourage collaboration, as well as to shift decision-making closer to community actors. These changes were described as significant at a cultural level, even when they involved fairly modest financial resources. Hence, innovation was associated with changing norms, expectations of funders, and relationships within local non-profit ecosystems. Several participants explicitly contrasted this approach with more conventional understandings of innovation that prioritize scale or replication. Innovation was instead described as improving the fit between institutions and the communities they serve, mostly in rural and place-based contexts. As one interviewee noted, “What works somewhere else doesn’t always work here, so innovation has to look different” (personal communication, participant 111325, November 13, 2025). Innovation was also described as emerging from constraint rather than occurring despite it. Limited unrestricted funding, staff capacity, donor trust, and legal flexibility required organizations to find alternative ways to create impact. As a result, innovation often took the form of workarounds, pilot initiatives, iterative programs, or strategic engagement with external funding programs. One participant reflected on this reality, saying, “We innovate because we don’t have many other options” (personal communication, participant November 13, 2025).

National and federal initiatives were also mostly cited as providing protected space for experimentation. Acting as intermediaries for externally designed programs allows community foundations to test new approaches without assuming full financial or legal risk. One interviewee explained, “Those programs let us try things we wouldn’t be able to do on our own” (personal communication, participant 102325, October 23, 2025). This arrangement enables innovation while maintaining organizational stability and board confidence. At the same time, participants noted that innovation under constraint carried costs. Administering complex external programs often strained staff capacity and diverted attention from locally defined priorities. Innovation was therefore described as a balancing act between experimentation and organizational sustainability. As one participant observed, “Innovation takes time and energy, and we don’t have much of either” (personal communication, participant 102325, October 23, 2025). A recurring theme across interviews was the connection between innovation and power. Participants described participatory and collaborative approaches as more inclusive and as changing who sets priorities and defines success. Involving community organizations directly in funding decisions reduces the role of foundations as sole decision-makers and repositions them as facilitators or conveners. One interviewee stated, “It means letting go of the idea that we always know best” (personal communication, participant 111325, November 13, 2025). This shift was not described as easy. Several participants acknowledged that redistributing decision-making authority requires institutional humility and a willingness to relinquish control. In this sense, innovation involved cultural and political risk rather than financial risk. “The hardest part isn’t the money, it’s giving up control” (personal communication, participant 110425, November 4, 2025), said one participant.

In spite of the broad interest in innovative approaches, participants were clear about their limits. Governance obligations, donor expectations, and uneven capacity across organizations continued to constrain what was possible. Interviewees cautioned against innovation pursued for its own sake, noting that poorly designed or overly ambitious initiatives could contribute to burnout and fragmentation within the non-profit sector. Innovation was therefore described as slow, iterative, and context-dependent. Success was measured less in terms of scale or replication and more through strengthened relationships, improved coordination, and increased trust among actors.

### *4.3 Place-Based Context as a Shaping Factor*

The findings show that philanthropic practice in Atlantic Canada is strongly shaped by place-based conditions. Geography, scale, historical patterns of development, local knowledge, and regional institutional density did not operate as background context. Instead, they structure how philanthropic organizations, community foundations, and non-profit actors understand their roles, power, limits, and responsibilities. Participants consistently highlighted the small scale of communities and organizations in the region. This scale shaped how relationships were formed and how decisions were made. Interviewees described dense social networks in which funders, non-profit leaders, board members, and community actors often held overlapping roles. As one participant noted, “Everybody knows everybody here” (personal communication, 110425, November 4, 2025). This relational density created both opportunities and constraints. Proximity supported trust, informal communication, and rapid coordination. At the same time, it increased sensitivity around similar interests in programs, conflict, accountability, and funding decisions. Participants explained that grantmaking decisions carried reputational consequences, especially in small communities where declining support could strain longstanding relationships. These conditions encourage cautious, relationship-based funding and favour incremental over disruptive change.

Rurality emerged as a defining feature of the regional context. Participants highlighted uneven organizational capacity across communities, with smaller and rural organizations facing persistent challenges related to staffing, governance, and administrative infrastructure. One interviewee explained, “Some communities just don’t have the capacity to chase complex funding” (personal communication, participant 102325, October 23, 2025). This uneven capacity shaped philanthropic strategies. Foundations often adapted application processes to reduce administrative burden and prioritized flexible funding. Participants emphasized that funding models designed for urban or national contexts frequently failed to translate effectively into rural settings. Rurality also limited engagement with emerging practices such as social finance. Minimum investment thresholds, reporting requirements, and legal complexity made many social finance tools inaccessible to smaller organizations and communities. Participants repeatedly described Atlantic Canada as peripheral to national philanthropic and financial systems. Major foundations, intermediaries, and social finance infrastructure were perceived as concentrated in central Canada, limiting regional access to capital, networks, and policy influence. One participant stated, “Most of the big conversations happen somewhere else” (personal communication, participant, 110325, November 3, 2025).

This peripheral positioning shaped how national programs were experienced locally. Interviewees described externally designed initiatives as misaligned with regional realities, often requiring adaptation or reinterpretation. Community foundations normally act as intermediaries and translators, adjusting program expectations to fit local capacity and context. Peripheral status also shaped how innovation was understood, with participants framing innovation as locally grounded problem-solving rather than participation in national or global trends. Place-based context also included historical and cultural dimensions. Participants referenced longstanding traditions of mutual aid, collaboration, informal support, and community self-reliance that predated formal philanthropic structures. These traditions shaped expectations about how resources should flow and how support should be organized. As one participant observed, “People here have always helped each other. Philanthropy just gave it a formal structure” (personal communication, participant 102325, October 23, 2025). These historical practices influenced attitudes toward external intervention and large-scale funding models. Interviewees expressed caution toward approaches perceived as externally driven, extractive, or disconnected from local knowledge and relationships.

“Place” functioned as both a constraint and a resource. Geographic distance, limited scale, and peripheral positioning constrained access to capital and infrastructure. At the same time, strong social ties, trust, and local knowledge enabled relational forms of philanthropy that were difficult to replicate in larger or more centralized systems. These findings suggest that philanthropic practice in Atlantic Canada cannot be adequately understood using models developed in more centralized contexts. Place-based conditions fundamentally shaped how actors defined feasibility, legitimacy, and impact.

### *4.4 Narratives and Legitimacy*

Cutting across the themes above, storying emerged as a central mechanism through which participants constructed and communicated legitimacy. Rather than relying primarily on quantitative outcome measures, interviewees described justifying their organizations’ roles and decisions through narrative, recounting specific community relationships, longstanding local histories of mutual aid, and individual stories of need and response (Dahlstrom, 2014). This storying served several functions. It allowed foundations to communicate impact in terms that resonated with donors and community members more than statistics alone could, consistent with participants' broader emphasis on relational, trust-based legitimacy over institutional or technical authority. It also reinforced the place-based and reciprocal framing discussed above: stories of mutual aid and reciprocal obligation were used by participants to explain why their organizations existed and whom they were accountable to, echoing the relational, intergenerational framing of giving noted in the literature on Indigenous philanthropy (Pearson, 2022), even as the practices described remained rooted in a settler philanthropic infrastructure. At the same time, several participants acknowledged the limits of narrative-based legitimacy, noting that storytelling could obscure uneven outcomes or make it difficult to communicate failure or underperformance to boards and donors. Narrative and legitimacy were therefore not peripheral to the findings reported above but ran through them, shaping how social finance, innovation, and place-based practice were understood, justified, and communicated by participants.

## 5.0 Discussion

This exploratory study contributes to a growing body of research on social innovation and philanthropy in Atlantic Canada by examining how community foundations in rural contexts understand and engage with social finance, innovation, and place-based practice. The findings highlight a central tension: while there is strong interest in advancing innovative and socially aligned approaches to community development, institutional, structural, and geographic constraints shape what is possible in practice. Rather than representing a lack of ambition, the cautious and incremental nature of innovation observed in this study reflects the realities of operating within small-scale, resource-constrained, and relationally dense environments.

One of the most significant findings relates to the gap between interest in social finance and its practical implementation. Participants consistently expressed a desire to align financial assets with social and community outcomes. However, this ambition was constrained by fiduciary obligations, donor intent, governance structures, and limited organizational capacity. These findings suggest that the barriers to social finance adoption in rural Atlantic Canada are not primarily ideological, but institutional. Community foundations operate within regulatory and financial frameworks that prioritize capital preservation and risk mitigation, which can limit experimentation with newer financial instruments. As a result, social finance is often positioned as a future aspiration rather than a current practice.

Importantly, the findings also indicate that innovation in this context is not primarily financial. Instead, community foundations are innovating through changes in governance, decision-making, and relationships. Participatory grantmaking, collaborative funding models, and efforts to shift decision-making authority closer to communities were identified as key areas of innovation. These approaches challenge conventional understandings of innovation that emphasize scale, replication, or technical solutions. In rural Atlantic Canada, innovation is more accurately understood as a process of institutional adaptation that prioritizes fit, trust, and responsiveness to local context over rapid expansion.

This reframing of innovation has important implications for both research and practice. It suggests that dominant models of social innovation, often developed in urban or centralized contexts, may not adequately capture the dynamics of rural regions. In particular, the emphasis on scaling solutions or attracting large pools of capital may overlook the value of smaller, relational, and context-specific interventions. The findings support a more pluralistic understanding of innovation, one that recognizes incremental, process-oriented, and community-driven change as both valid and impactful.

The role of place emerges as a defining feature across all aspects of the findings. Geographic scale, population density, historical patterns of development, and regional identity shape how philanthropic organizations operate and how they define success. In small and rural communities, dense social networks create both opportunities and constraints. Trust, familiarity, and informal relationships facilitate collaboration and coordination, but they also heighten the stakes of decision-making. Funding decisions are not abstract transactions; they are embedded in ongoing relationships that carry reputational and social consequences. This relational context encourages cautious and deliberative approaches, reinforcing incremental rather than disruptive change.

At the same time, the peripheral position of Atlantic Canada within national philanthropic and financial systems presents structural challenges. Participants described limited access to capital, intermediaries, and networks, as well as a sense that national conversations and policy developments often occur elsewhere. This marginality affects not only resource availability but also the perceived legitimacy of local approaches. Community foundations frequently act as intermediaries, adapting externally designed programs to fit local realities. While this role enables participation in broader initiatives, it also places additional demands on already limited organizational capacity. This marginality is rooted in the political economy of rural Atlantic Canada, where historical underdevelopment, resource extraction dependency, and uneven public investment have fostered reliance on community-driven philanthropy. The apparent generosity of rural residents (in time and volunteerism) can thus be understood not only as cultural attachment to place but also as a response to structural gaps in state and market support. Viewed through this lens, the prominence of philanthropy in Atlantic Canada is double-edged. On one hand, it reflects a genuine cultural strength, such as dense social ties and a deep attachment to place that, as the findings show, enable relational forms of innovation difficult to replicate elsewhere. On the other hand, the same generosity can function as an informal substitute for public investment that other regions of Canada are more likely to receive through state infrastructure or concentrated private capital, consistent with critiques of neoliberal devolution in which community-level voluntarism absorbs responsibilities that might otherwise fall to government (Krawchenko, 2017). Read this way, the marginality of Atlantic community foundations within national philanthropic and financial systems is not incidental but structurally produced: it is a regional expression of broader patterns in which rural and peripheral economies are expected to generate their own resilience with comparatively little external support (Reid et al., 2023). This critical reading does not diminish the value of the relational, place-based philanthropy documented in this study; rather, it situates that philanthropy within the political-economic conditions that make it necessary, and cautions against romanticizing rural generosity as a free-standing cultural trait disconnected from the region's structural position within the Canadian economy.

Despite these constraints, the findings highlight the strengths of place-based philanthropy in rural contexts, reiterating findings from Drombroski et al. (2020) and Kincaid et al. (2020). Strong community ties, traditions of mutual aid, and a deep sense of place support relational approaches to funding and collaboration. These characteristics enable forms of innovation that are grounded in local knowledge and responsive to community needs. In this sense, place is not only a constraint but also a resource. The challenge lies in recognizing and supporting these locally embedded forms of innovation without imposing external models that may not align with regional realities.

This pattern of reciprocal, relationally grounded giving invites a comparison raised but not pursued in the literature review. There, we noted a distinction between Western conceptions of philanthropy as charity and Indigenous perspectives that emphasize reciprocal relationships, intergenerational responsibility, and community well-being (Pearson, 2022). Several features described by participants, such as longstanding traditions of mutual aid that predate formal philanthropic structures, dense and overlapping kinship-like community networks, and an understanding of giving as inseparable from place and relationship, bear a notable resemblance to these Indigenous framings of reciprocity and collective responsibility. We raise this resemblance cautiously. The community foundations and donors discussed in this study operate within a predominantly settler philanthropic infrastructure, and it would be inappropriate to characterize their practices as equivalent to, or as appropriating, Indigenous philanthropic traditions, which are grounded in distinct histories, governance systems, and relationships to land that this study did not directly investigate. What the resemblance does suggest is that dominant, transactional models of philanthropy imported from urban and national contexts may be poorly suited to describing either rural settler or Indigenous practice in the region, and that future research explicitly engaging Indigenous community foundations, funds, and philanthropic actors in Atlantic Canada, rather than inferring parallels from settler-led interviews, would be a valuable next step.

The study also points to important considerations around power, equity, and inclusion. Efforts to adopt participatory and collaborative approaches to decision-making were described as both promising and challenging. Shifting authority away from traditional institutional actors requires not only new processes but also cultural change. It involves rethinking the role of community foundations from funders to facilitators or conveners and acknowledging the limits of institutional expertise. While participants expressed openness to these shifts, they also noted the risks and uncertainties involved. Questions of whose voices are included, how decisions are made, and how accountability is maintained remain central to ongoing efforts to innovate within the sector.

These findings suggest several implications for policy and practice. First, there is a need to develop social finance tools and frameworks that are better suited to small-scale and rural contexts. This may include lower investment thresholds, shared or pooled models, and intermediary structures that reduce risk and administrative burden. Second, capacity-building efforts should extend beyond technical skills to include governance, partnership development, and facilitation of collaborative processes, which echo recommendations provided by Barrett and Vodden (2022). Supporting innovation in this context requires attention to both organizational capacity and relational infrastructure. Third, greater recognition of regional diversity within Canada's philanthropic and social finance landscape is needed. Policies and programs designed at the national level should account for the distinct conditions of rural and peripheral regions. This includes not only adapting existing models but also valuing alternative approaches that emerge from these contexts. Finally, there is a need for continued research that documents and analyzes place-based innovation in rural settings. As this study demonstrates, much of this work remains underexplored, particularly in Atlantic Canada.

As an exploratory study, this research has several limitations. The sample size is small and focused on a subset of community foundations and sector actors, which limits the generalizability of the findings. The reliance on qualitative interviews provides depth, and the supplementary scan of publicly available foundation materials offers some additional context regarding the broader range of practices across the region; nonetheless, this scan was limited to publicly documented activities and cannot substitute for a systematic, comparative analysis of practices across all ten foundations. Future research could expand the sample, incorporate comparative analysis with other regions, or include quantitative data on financial practices and outcomes. Longitudinal studies may also be valuable in understanding how innovation and social finance evolve over time.

This study highlights the importance of understanding social innovation and philanthropy as deeply embedded in place. In rural Atlantic Canada, community foundations are navigating complex institutional, financial, and relational landscapes. Their approaches to innovation are shaped not only by constraints but also by the opportunities and strengths of their communities. Recognizing and supporting these place-based dynamics is essential for advancing more inclusive, effective, and contextually relevant models of social innovation.

## 6.0 Conclusion

This study set out to examine innovative tools and approaches for strategic planning in community foundations across rural Atlantic Canada, highlighting the central role of place and context-specific conditions in shaping social finance and philanthropy. The findings highlight both the constraints and strengths of place-based approaches in building resilient rural communities by centering relational, incremental, and community-grounded innovation. Across the themes examined—social finance, innovation, place, and narrative legitimacy—a consistent picture emerges of community foundations operating as adaptive, relationally embedded actors whose strategic planning is shaped less by formal financial instruments than by trust, capacity, and proximity to community. As an exploratory study, this work is necessarily partial: it draws on a small set of interviews supplemented by a scan of publicly available foundation materials, and it leaves open important questions about regional variation, Indigenous philanthropic practice, and the political-economic roots of rural Atlantic Canada's reliance on community-based giving. Future research should expand on comparative scales, Indigenous perspectives, and political-economic dimensions to further inform policy and practice in the region. Returning to where this study began: the strategic planning tools and approaches that matter most to Atlantic Canada's community foundations are not, primarily, new financial instruments, but the relational, place-based capacities - trust, convening, and narrative legitimacy - that allow these organizations to translate a deep sense of place into durable community benefit.

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