

## The Business Case for Social Purpose

Empirical analysis and global surveys demonstrate that social purpose is correlated with stronger financial performance, higher employee retention, and increased consumer trust. Firms with a clearly defined purpose show higher returns on assets and equity, greater revenue growth, and improved innovation outcomes. This report consolidates data from leading research studies to quantify the strategic and financial advantages of purpose in business.

### Employee Experience: Purpose Drives Engagement and Retention

Meaningful work is crucial for employee satisfaction, especially among younger generations. Employees in purpose-led companies are more engaged, passionate, and likely to promote their employer. Purpose inspires higher productivity and loyalty, with many employees willing to take a pay cut to work for a company whose values align with their own. Nowadays, the majority of talent believes that companies must lead with purpose and positively impact society, making purpose a key factor in attracting and retaining talent.

- 6 in 10 employees choose their employer based on beliefs; 61 % choose, leave, avoid or consider employers based on their values and beliefs; 20% of employees have left their jobs or are planning to do so within the next six months and 59% of employees leaving their jobs are looking for a better value fit, over double that of career advancement at 31%. Source: [Edelman, 2021](#) survey of 7,000 employees in seven countries, including US and UK but not Canada
- Employees in purpose-driven companies are 47% more likely to promote their employer. Source: [Parish & Hurst, 2021](#)
- 90% of all Generation Z and Millennials stated that having a sense of purpose at work is important for their job satisfaction and well-being. Source: [Deloitte, 2024](#)
- 63% of employees in purpose-driven companies are engaged vs. 31% in other organizations. 65% of employees in purpose-driven companies say they're passionate about their work vs. 32% in other companies. Source: [Harvard Business Review, 2019](#)
- Inspired employees are 50% more productive than already engaged employees. Source: Bain and Company cited in [HSBC Innovation Banking Blog](#)

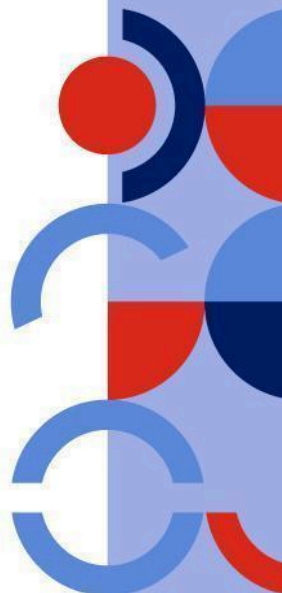
### The majority of employees believe companies must lead with purpose.

The [Porter Novelli 2020](#) study (1003 US adults who work full-time at companies with 500+ employees) found that employees greatly value purpose-led companies.

The majority (93%) of employees today believe now, more than ever before, companies must lead with Purpose. This means employees understand business isn't about just making profits. In fact, nearly nine-in-ten (88%) employees believe it is no longer acceptable for companies just to make money; companies must positively impact society as well.

When employees work for a company with a strong purpose they report they would be:

- More likely to recommend their employer (92%)
- More loyal (89%)



- More motivated (89%)
- More productive (85%)
- More likely to share their company's purpose story with clients or customers (90%)

Further, they report that:

- They won't work for a company that doesn't have a strong purpose (69%)
- They will take a pay cut to work at a purpose-driven company (60%)
- Working for a company with a strong Purpose is more important to them now than ever before (88%)
- They are more likely today than in the past to research what their company is doing to be responsible (61%)

### Consumer Experience: Purpose Strengthens Trust, Loyalty and Engagement

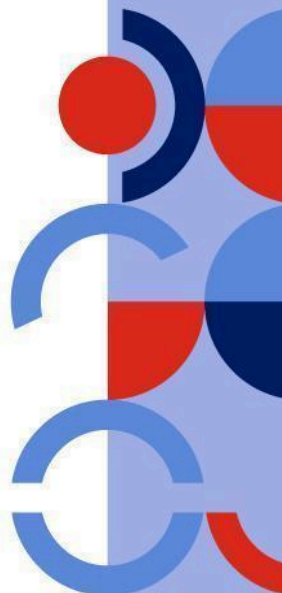
There has always been a segment of consumers—once small, now rapidly growing—who seek out brands reflecting their personal ethics and values. Where early ethical consumers might have flocked to innovators like The Body Shop for its stand on animal welfare, today's buyers expect all brands to have clear, authentic, purpose-driven commitments. Being "ethical" has moved from a differentiating niche to a baseline expectation for doing business. Consumers are increasingly making purchasing decisions based on a brand's purpose and values. Purpose-driven brands also see greater engagement from younger consumers, whose demand for action on societal issues is bigger than ever before. This shift highlights the growing importance of purpose in building lasting customer relationships.

The [2020 Zeno study](#) (8,255 respondents, eight global markets) revealed that:

- Consumers are 4.0x more likely to purchase from a brand with a strong purpose.
- Consumers are 6.0x more likely to protect that brand in a challenging moment.
- Consumers are 4.5x more likely to recommend the brand.
- Consumers are 4.1x more likely to trust the brand.
- 94% believe companies they engage with should have a strong purpose.
- 83% believe companies should earn a profit only if they also deliver a positive impact.
- However, only 37% believe companies today have a clear, strong purpose.
- 92% of Gen-Z and 90% of Millennials act in support of a purposeful brand, compared to 81% of Gen-X, 77% of Baby Boomers, and 73% of Matures (74+ years old).
- 70% of Gen-Z & Millennials want a brand's purpose to align with their personal values, compared to 48% of Boomers and Matures.
- 76% of consumers have taken action against a brand for doing something they disagreed with:
  - 88% of Gen-Z, 85% of Millennials
  - 76% of Gen-X, 67% of Boomers, 62% of Matures

### Buying on belief goes mainstream

- 64% of customers buy brands based on their beliefs and values in a survey of 8,000 people across eight markets. [Source: Edelman, 2018](#)
- Customers are more attracted to brands that make the world a better place over brands that make them a better person globally. (64% versus 36%) [Source: Edelman, 2022](#)



- When brands take action on societal issues, there is at least a 4x multiplier of likelihood of purchase. Source: [Edelman, 2022](#)
- Buying on belief becomes the new normal in Canada: “I believe brands can be a powerful force for change. I expect them to represent me and solve societal problems. My wallet is my voice”. 51% in 2017 and 64% in 2019 in Canada. Source: [Edelman, 2020](#)
- 76% of Canadians expect brands to solve society’s problems (be a visionary, be a problem solver, be a force in shaping our culture, be a safety net, be a collaborator). Source: [Edelman, 2020](#)
- 83% of Canadian consumers want to buy brands that put as much priority on values as profit and 50% actively search for a brand’s values before making a purchase. Source: [Maru Group, 2022](#) survey of 1,522 Canadian adults
- A survey of 8,000 consumers found that they are four times more likely to trust, purchase from and recommend purpose-driven companies. They’re also six times more likely to defend a purpose-driven company in a “challenging moment”. Source: Google and Corporate Executive Board cited in [HSBC Innovation Banking Blog](#)
- A quantitative survey of 3,000 B2B buyers across multiple sectors confirmed that personal values like pride or popularity play a greater role than business of functional value. These qualities have twice the influence on commercial buying decisions. Source: Google and Corporate Executive Board cited in [HSBC Innovation Banking Blog](#)

### **Innovation: Purpose Unlocks Creativity and Competitive Advantage**

In today’s rapidly changing economy, innovation is essential to stay afloat. Becoming purpose-led requires a whole new way of thinking about a business and how it’s run. This mindset shift ushers in a wave of creativity and innovation as team members adapt and experiment to bring the company closer to its societal goals. Another contributing factor in this is that purpose creates a common goal amongst teams which is much more motivating and fulfilling than disparate, department-specific goals. This leads to a greater exchange of ideas, diverse perspectives, and a willingness to build upon each other’s contributions. This wave of creativity amongst purpose-led organizations creates a competitive edge in their industries.

- 53% of executives at a company with a strong sense of purpose claimed that their organization has been successful with innovation and transformation efforts, compared to 31% of executives who are still trying to articulate a sense of purpose, and 19% who have not thought about purpose at all. Source: [HBR, 2016](#)
- EY survey suggests that purpose-driven businesses are significantly more successful at transformation and innovation. Executives at purpose-driven companies are 2x more likely to report success during major transformation efforts. Source: EY cited in [HSBC Innovation Banking Blog](#)
- Purpose-driven companies report 30 percent higher levels of innovation and 40 percent higher levels of workforce retention than their competitors. Source: [Deloitte, 2014](#)
- 73% of c-suite executives report having changed or developed products or services in the past year in order to be more socially conscious. 53% say they have successfully generated new revenue streams from these new offerings.



Source: [Deloitte, 2019](#)

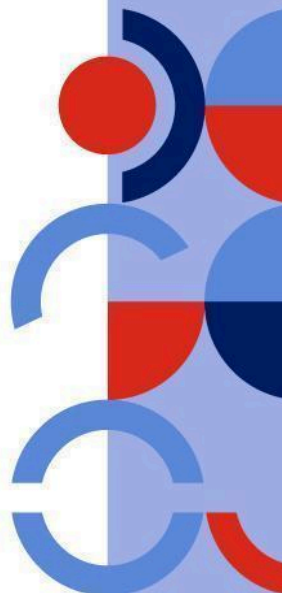
- Companies that connected corporate purpose to long-term strategy saw median R&D spending rise by 27% from 2019 to 2023. Those in the top performance quartile increased R&D by 62% and revenue by 52% over the same period.

Source: [Chief Executives for Corporate Purpose, 2025](#)

## Financial Performance: Purpose Fuels Growth and Profitability

Shareholders will also be pleased. Purpose-led businesses consistently outperform their peers in growth and profitability. By focusing on long-term value creation rather than short-term gains, Purpose-led organizations attract investors, customers, and employees who are committed to the company's purpose, creating a reinforcing loop of growth and performance. Over time, this alignment leads to higher returns, faster growth, and greater resilience in the face of market challenges. The results speak volumes. Purpose-led companies achieve higher compound annual growth rates, are more likely to deliver double-digit growth, and outperform market indices over time. They can also expect faster brand value growth and higher returns on assets and equity.

- Purpose-driven firms had a 13.6% CAGR (compound annual growth rate) over 20 years—3x higher than competitors and 5x higher than the S&P 500. Source: [Jump Associates, 2023](#)
- Over the last decade, purpose-driven brands have seen their valuation skyrocket by 175%; in one study of 28 companies over a 17-year period, purpose-driven companies grew by 1,681% in comparison with the S&P 500 average of 118% over the same span. Source: [Harvard Business Review, 2022](#)
- 58% of companies with a strong sense of purpose experienced 10%+ revenue growth over three years, compared to 42% of companies without a clear purpose reporting flat or declining revenue. Source: [Inc, 2023](#)
- 73% of c-suite executives report having changed or developed products or services in the past year in order to be more socially conscious. 53% say they have successfully generated new revenue streams from these new offerings. Source: [Wall Street Journal](#)
- Purpose-driven companies witness higher market share gains and grow three times faster on average than their competitors, all while achieving higher workforce and customer satisfaction. A relationship with purpose can result in increased loyalty from customers, workforce, and partners when authentic purpose connects with stakeholder values. Source: [Deloitte, 2020](#)
- Over the last decade, purpose-driven brands have seen their valuation skyrocket by 175%. Source, [Kantar, 2020](#)
- In one study of 28 companies over a 17-year period, purpose-driven companies grew by 1,681% in comparison with the S&P 500 average of 118% over the same span. Source: [Wolfe et al., 2014](#)
- Purpose-driven businesses grow faster; they are up to 38% more likely to report double-digit growth over 3 years, as Deloitte concluded from an independent, 10-year study of 50 companies. Source: [Deloitte cited in HSBC Innovation Banking Blog](#)
- FTSE350 companies with a purpose statement perform statistically higher on ROA and ROE. (UK stock market index) Source: [Brandpie 2024](#)



- Companies with a corporate purpose generated 58% more revenue and achieved 63% higher return on invested capital in 2023 than companies without a defined purpose. Source: [Chief Executives for Corporate Purpose, 2025](#)
- Long-term goals tied to corporate purpose yield higher returns on R&D and financial performance. Source: [Chief Executives for Corporate Purpose, 2025](#)
- 96% of businesses demonstrate ongoing enhancements in performance following a transformation where the organization's purpose, strategy, and culture are aligned. Organizations with a greater sense of purpose:
  - Earn 9% higher Total Shareholder Return (TSR)
  - Show 10% higher Growth
  - Show 41% higher Present Value of Growth OperationsSource: [Enacting Purpose Initiative 2021](#)

### **Trust: Purpose Builds Credibility and Lasting Relationships**

Trust is the foundation of every successful brand relationship. Purpose-led companies earn trust by aligning their actions with their stated values and demonstrating genuine commitment to societal good and their purpose.. When consumers trust a brand, they are far more likely to buy its products—even at a premium—and to remain loyal over time.

*The 2023 Edelman Trust Barometer study found that:*

- When consumers trust a brand, 59% say they are more likely to buy the brand's new products and/or buy the brand even if not as cheap as a competitor.
- With trust, two-thirds of consumers say they are more likely to stay loyal, stick with the brand even if it makes a mistake and/or recommend the brand to others.
- A full 64% of Gen Z say brands should make their values more visible at the point of purchase, underlying how beliefs drive buying.
- Brands must prove their values to Gen Z, with almost two-thirds (62%) of 18-26-year-olds saying that if the brand doesn't communicate its actions to address societal issues, they assume it must be hiding something or is doing nothing.

Source: [Edelman 2023](#)

### **Access to Capital: Purpose Attracts Investors and Strengthens Long-term Value**

Investors are increasingly looking beyond short-term returns, seeking companies with a clear purpose and a demonstrated commitment to long-term value creation. Purpose-led organizations signal to investors that they are strategically focused, well-governed, and resilient—qualities that reduce risk and enhance confidence.

- 76% of investors expect companies to have defined their purpose and 93% think it is a necessary foundation to set a long-term business that creates value and strengthens corporate culture. Source: [SquareWell, 2020](#)





## United Way BC Social Purpose Institute Research

The United Way BC Social Purpose Institute conducted comprehensive research into the [business case for social purpose](#) summarized into the following six benefits.



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*In order of appearance*

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### About the Canadian Purpose Economy Project

The Canadian Purpose Economy Project exists to accelerate the transition to the purpose economy. It engages national ecosystem actors to create an enabling environment for social purpose businesses to start, transition, thrive and grow. It convenes, connects, curates, and collaborates to drive the social purpose business movement in Canada toward an economy where social purpose business is the norm, attracting capital, talent, and partners. In this economy, businesses unlock all their assets, influence, reach and scale in collaboration with others to help Canada address its societal challenges and realize a flourishing future. We are grateful to Coast Capital, our Founding Purpose Champion, for their support. The Canadian Purpose Economy Project is a project of Canadian Business for Social Responsibility Education Foundation. Subscribe to our updates at <http://www.purposeeconomy.ca> and sign our **Call to Purpose** to help us advance social purpose in business.

