



the work foundation

The social entrepreneurship phenomenon

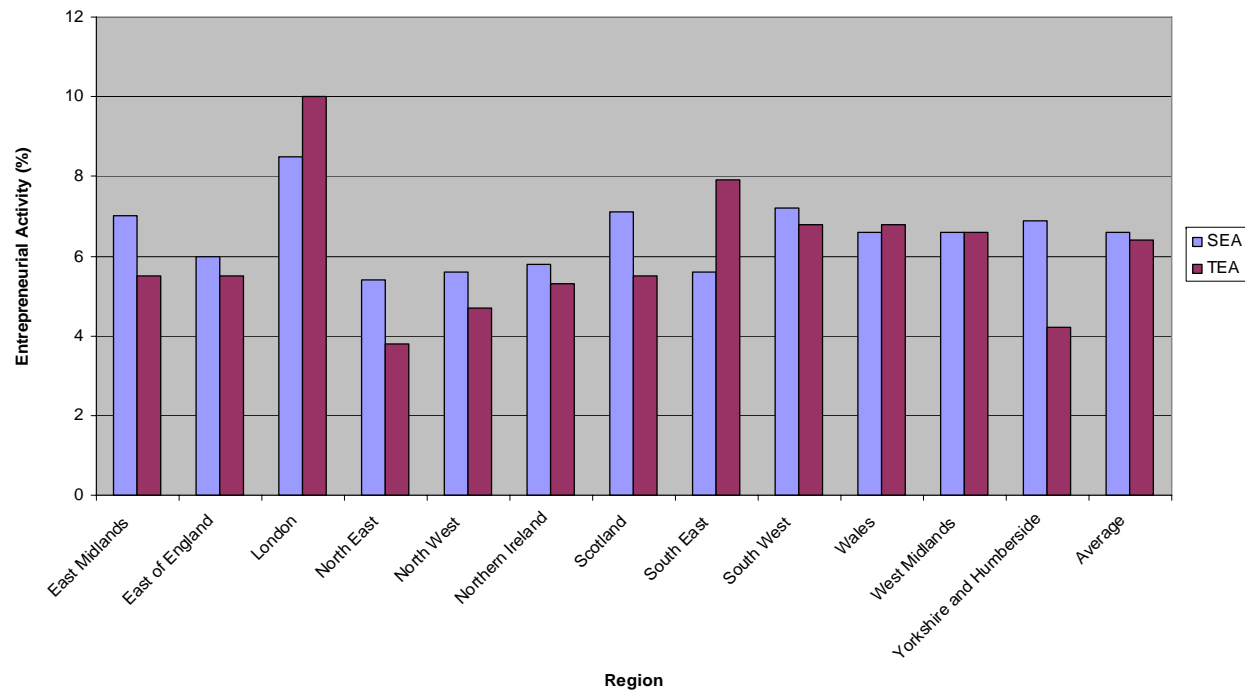
- In a post Enron world, the “double bottom line” has entered into the business debate.
- For entrepreneurial businesses, this means activities or ventures with a social or community purpose:
 - By individuals (social entrepreneurs)
 - By businesses (social enterprises)
- 6.6% of the UK adult population is involved in social entrepreneurial activity.

A note on GEM UK

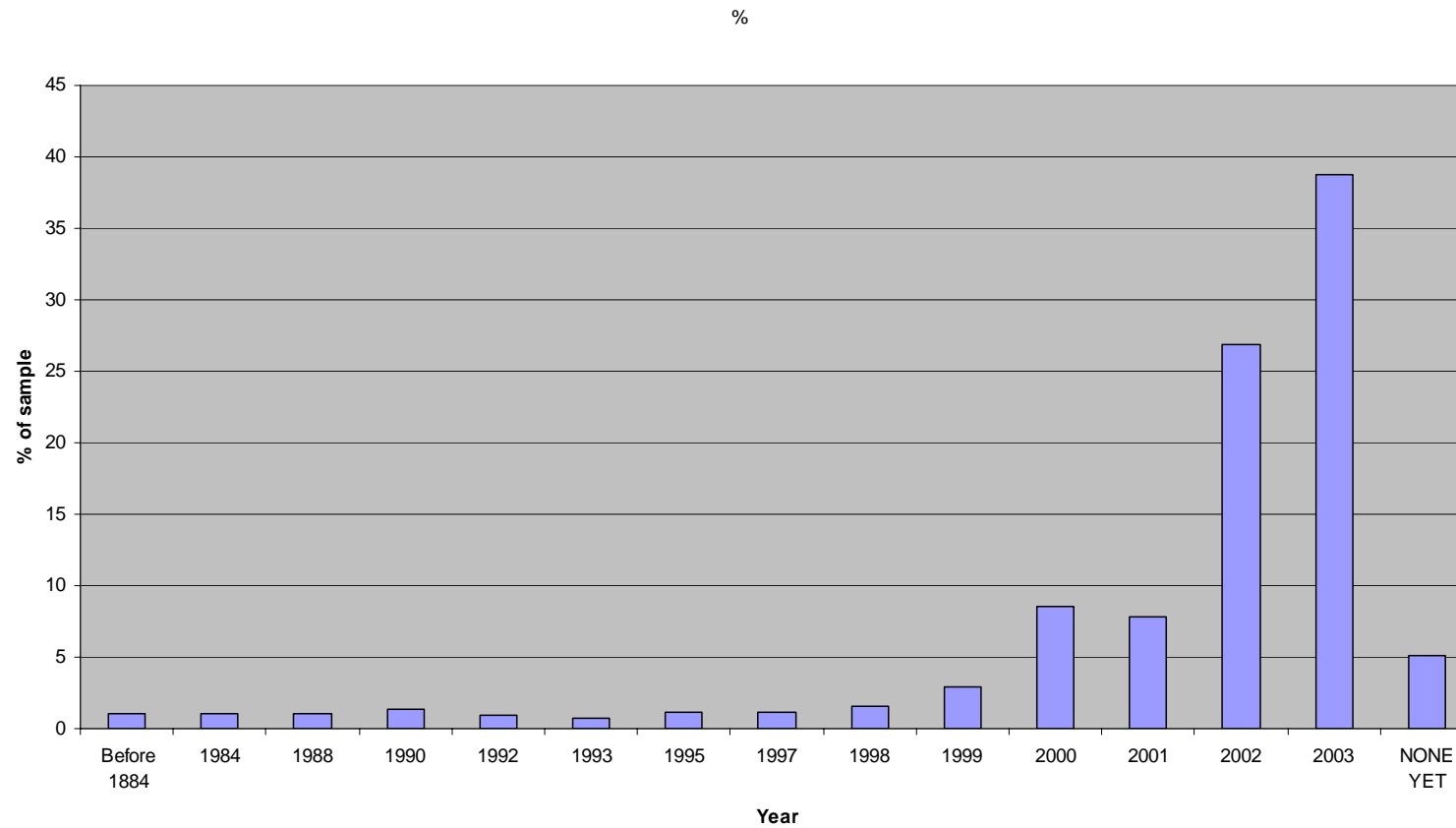
- A telephone survey of 22,000 adults of working age
- Selection of individuals by their responses to two questions.
- Additional question about age of firm, finance, turnover, jobs, sector.
- Method allows us to distinguish between:
 - Social entrepreneurs
 - Social enterprises



Social and Mainstream Entrepreneurship



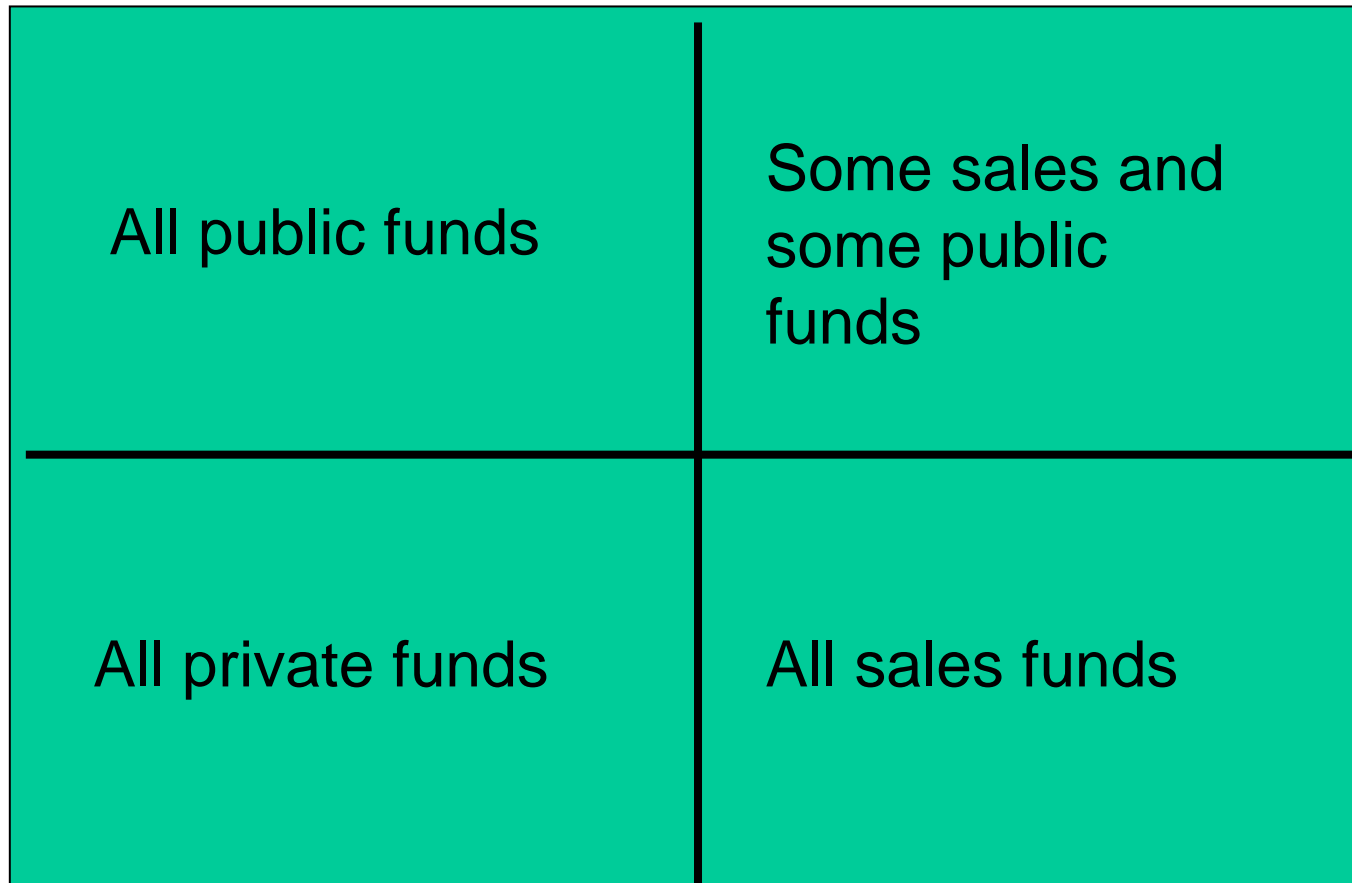
Is this something new?



Who are the social entrepreneurs?

	Start-ups		Owner-managers	
	Men	Women	Men	Women
UK Average	5.5	4.7	8.7	6.9

Focus on Social Enterprise



What impact do they have?

	Median jobs created	Median Turnover
All public revenue	7	£29,405
All private revenue	2	£40,000
Mixed public/sales	10	£201,270
All sales	4	£106,432
Mainstream	2	£39,000
All social entrepreneurs	6	£40,000

Some other highlights

- The attitudes of social entrepreneurs and social enterprises are positive.
- Social enterprises require £10,000 in start-up finance and put up £5000 of this themselves.
- Failure rates in access to finance for social enterprises are high for all types of finance bar one.
- The notable exception is equity finance.
- Social enterprises are predominantly in health, education and recreation.



Concluding remarks

- This is a first attempt to measure social entrepreneurship but it appears to be important
- Entrepreneurship policy could include social enterprise explicitly more.
- Social entrepreneurship as a model for regeneration?
- The sectoral concentration suggests this could be a model for public sector reform.
- The key now is to develop mechanisms for measuring economic value of social entrepreneurship





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