

# SOCIAL ENTREPRENEURS THE FACTS

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This Findings Paper provides a unique insight into start-up social entrepreneurs supported by UnLtd, detailing who they are, their work and the social impact that they have. It demonstrates how an investment in individuals and their practical solutions to the problems they face generates a 'ripple effect' with the potential to create significant and lasting social change.

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RESEARCH FINDINGS SERIES

Social entrepreneurs are normal people, there is no typical social entrepreneur.

## INTRODUCTION

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Social entrepreneurship is an area of rapid and sustained growth. There are an increasing number of advocates for social enterprise, with the launch of the Social Enterprise Mark and growing recognition of organisations such as The Big Issue, Jamie Oliver's restaurant Fifteen, and the fair-trade chocolate company, Divine Chocolate, to name only a few. However, comparatively little attention has been given to the 238,000 people found by the Global Entrepreneurship Monitor (GEM) to be starting a social venture in the UK (Harding and Harding 2008). Moreover, social entrepreneurship has been offered as a solution to many of the social and environmental problems faced in the UK's post-recession economic climate, placing high hopes on individual social entrepreneurs. As such, it is important to understand more about what social entrepreneurship can do, socially, environmentally and politically.

UnLtd's mission is to reach out and unleash the energies of those individuals who can transform the world in which they live; supporting individuals who have passion, ideas and a can-do attitude to set up and run a social venture. Whether the problem they tackle is local or societal, UnLtd sees this potential for social change in ordinary people with practical solutions. UnLtd has direct contact with start-up social entrepreneurs through the support and funding provided, creating a unique perspective into the facts about social entrepreneurship.

## THE RESEARCH

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UnLtd Research aims to be a primary source of evidence and thinking around social entrepreneurship. Its central purpose is to research the impact that UnLtd Awards have on social entrepreneurs, referred to in this paper as Award Winners. We also seek to understand the impact that these individuals have on the worlds in which they live. UnLtd Research ensures that this learning informs operational practices and enhances impact wherever possible. This Findings Paper provides an insight into the value and potential of social entrepreneurship in the UK. It concentrates on those Award Winners who receive funding from the perpetual endowment given to UnLtd by the Millennium Awards Trust (rather than Award Winners supported through externally funded Programmes), which provides around 650 people every year with funding, tailored one-to-one support and networking opportunities. Drawing upon this population, UnLtd Research has collated the following data sets to detail the demographics of social entrepreneurs, their work, their impact and their learning:

- ★ Applicant monitoring data for 3,166 Award Winners who have completed their projects, providing socio-demographic data and an overview of the projects they create.
- ★ Exit questionnaires for 2,048 Award Winners, providing information about personal and project outcomes after a one year period of running an UnLtd awarded project.
- ★ A follow-up survey of all Award Winners, generating a sample of 437 people, providing a long-term view of personal and project outcomes generated through an UnLtd Award.
- ★ A spatial analysis of UnLtd's Award-making 2002-2005, mapped against Indices of Multiple Deprivation.

*This research also cites the following references:*

- ★ *Harding, R. and Harding, D. (2008) Social Entrepreneurship in the UK, Global Entrepreneurship Monitor.*
- ★ *Social Enterprise Coalition (2009) State of Social Enterprise Survey, SEC: London.*

## WHO ARE SOCIAL ENTREPRENEURS?

UnLtd's Award Winners come from a diverse range of backgrounds. Their socio-demographic make up mirrors those of social entrepreneurs found by the Global Entrepreneurship Monitor (GEM, Harding and Harding 2008). However, there are some noteworthy patterns:

- ★ UnLtd Award Winners come from a range of educational backgrounds, although there is a greater representation of those with a professional qualification (15%) or a degree or postgraduate qualification (38%).
- ★ Whilst there is a fairly equal gender representation amongst social entrepreneurs in the UK, UnLtd has supported slightly more male (54%) than female (46%) Award Winners. However, this is more balanced in comparison to mainstream entrepreneurship, where men are twice as likely to become entrepreneurs in comparison to women (GEM, 2008). Our retrospective survey of Award Winners also found an approximately equal gender division amongst those who reported that they were still running their social venture.
- ★ The majority of UnLtd Award Winners are aged between 30 and 45. However, with UnLtd's increasing range of externally funded programmes aimed at encouraging social entrepreneurship amongst specific age groups, this pattern could be changing towards a more equal distribution, with the youngest Award Winner aged 11 and the oldest being over 75.
- ★ At 40%, minority ethnic groups are strongly represented amongst our Award Winners. This is similar to the GEM which found those from minority ethnic groups were two-and-a-half times more likely to start a social venture than those from white ethnic groups.
- ★ Despite being highly educated, over a third of UnLtd Award Winners in England and Wales come from the 20% most deprived areas when mapped against the Indices of Multiple Deprivation. The same finding is also reflected regionally. At the opposite end of the scale, the lowest proportions of Award Winners are from the 20% least deprived areas. As such, further research would be valuable to learn more about the relationship between education, deprivation and social entrepreneurship.

These findings highlight that there is no 'typical' social entrepreneur. Instead, their wide-ranging socio-demographic backgrounds points to the need to learn more about how this relates to their motivations and the social problems they address.

## CASE STUDY

Ben Donnelly set up Elixir Environments in Merseyside to provide a free gardening service for vulnerable people and community groups. This allows him to provide training and employment to those disadvantaged in the labour market because of homelessness, long-term unemployment, offending or substance abuse. Ben was given £1,500 by UnLtd in 2009 for the equipment needed to set up and run this project. Having overcome similar problems several years ago and gained extensive experience working in the community since, Ben recognises the importance of practical work experience, which allows individuals whose lives have been affected by bad choices to develop their confidence and skills. His vision is to provide accredited training to 80 individuals and to support 30 people to gain employment. He is well on his way to achieving this goal and has successfully won contracts and secured further funding to expand this project.

## SOCIAL ENTREPRENEURS ARE...

...from a range of educational backgrounds, though often educated to a degree or post graduate level...

...more likely to come from the most deprived than least deprived areas of the UK...

...almost as likely to be a woman as a man...

...any age, though typically between 35 – 45 years old...

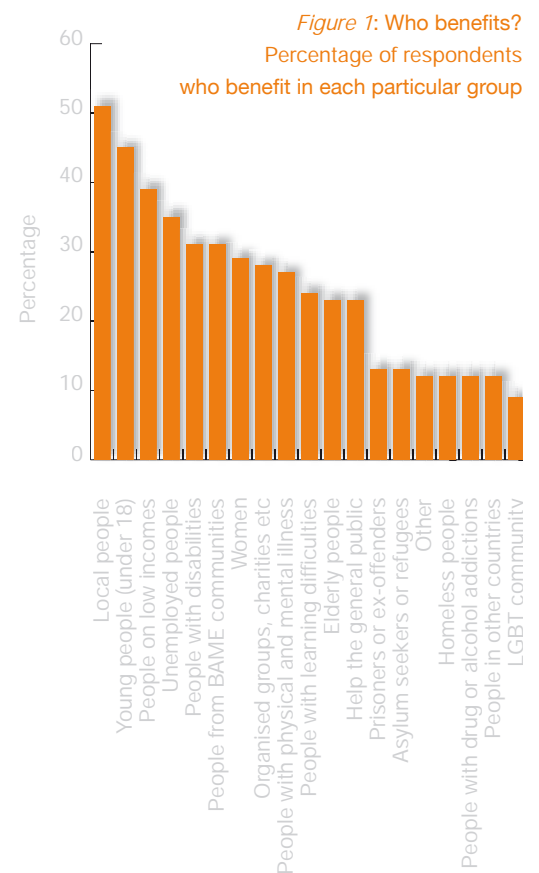
...from a range of ethnic backgrounds, though people from minority ethnic groups are strongly represented.

## WHAT ARE SOCIAL ENTREPRENEURS DOING?

At the end of their projects, the Award Winners surveyed estimated that over half a million people had participated in or benefitted from the products and services provided.

Social entrepreneurs are often defined according to their activity, approach and focus of the venture they run. The Global Entrepreneurship Monitor (GEM) begins its definition by explaining 'social entrepreneurship is any attempt at new social enterprise activity or new enterprise creation'. UnLtd adopts a more open approach, funding individuals who have the potential to make a positive change in the world through their passion, ideas and a can-do attitude. This change can be local or societal, their solution can be anything from a one-off event to a nationwide social enterprise and they can address any area of social or environmental benefit. However, over the past eight years some patterns in their approaches and the sectors they are targeting can be seen. A few of our questions in our follow-up survey were designed to be directly comparable with the Social Enterprise Coalition (SEC, 2009) State of Social Enterprise Survey:

- ★ In our follow-up survey of 437 Award Winners, the question was asked 'Thinking about your UnLtd awarded project/venture, what or who are your main beneficiaries or users?' In response, 46% benefited the local community and 38% benefited a particular group of people. This finding reflects the SEC (2009) survey where these two categories were again the most popular (59% and 36% respectively), with employees, other organisations and the environment targeted to a lesser extent.
- ★ When asked the more specific question 'Which, if any, particular groups of people in your community do you benefit?', the majority of Award Winners benefited local people, young people under 18, people on low incomes, unemployed people and people with disabilities, as shown in *Figure 1*. Again, the groups targeted by UnLtd social entrepreneurs directly mirror those found more generally in social enterprise by the SEC (2009). It is also noteworthy that social entrepreneurs were targeting an average of five groups of people in their communities.



## WHAT IMPACT DO THEY HAVE?

UnLtd primarily funds start-up social entrepreneurs, providing mass support for people creating micro-scale projects. Some of these are designed to run for a short time to successfully address an issue. Others continue after their UnLtd Award and become viable businesses, often operating as social enterprises. In other words, social entrepreneurs often start small scale, whether they are addressing a problem in their community, an issue that they have personally experienced or a more general social concern. However, start-up social entrepreneurs still create significant social and economic impacts.

## SOCIAL OUTCOMES

The range of target beneficiaries for UnLtd awarded projects also creates a range of social outcomes. Of these:

- ★ The variability of social impact is staggering, from providing educational books, increasing fitness and solving health issues, to inventing new approaches to environmental problems.
- ★ From estimations by Award Winners at the end of their projects, over half a million people have participated or benefited from the products and services provided. We believe this is a significant underestimation of the total picture.
- ★ 59% of UnLtd awarded projects will be providing a service related to many areas, including health, education or sport and recreation.
- ★ 32% of our Award Winners' work will involve campaigning and organising events.
- ★ On completion of their projects, 40% of Award Winners had produced a broadcast, publication, or another product.

## CASE STUDY

Jamie Fielden set up Jamie's Farm to provide a unique residential experience for vulnerable young people, helping to reduce truancy and behaviour difficulties amongst those at risk of exclusion from school. As a teacher in a tough London school and having grown up on a farm, Jamie had this idea after bringing some lambs into school. He noticed how the behaviour of those pupils who were hardest to engage changed as they nurtured and took responsibility for looking after the lambs. Jamie's Farm takes this learning forward, providing young people with real tasks in an agricultural setting, alongside intensive one-to-one and group therapy. UnLtd gave Jamie £15,000, along with intensive support around financial modelling. This has enabled Jamie to extend his project, helping him to find new premises and gain further funding so that he can reach more young people. He hopes to develop this model in other locations to become the country's leading intervention for vulnerable young people at risk from exclusion.

## SOCIAL INNOVATION

The social entrepreneurs supported by UnLtd are integral to creating social innovation. They provide new solutions to social problems. Two examples of this include Patient Opinion, dubbed the 'Trip Advisor of Healthcare', where patients can share experiences about NHS facilities, or Baharat Najib, who uses traditional Pakistani mediation approaches to tackle communal conflict and honour crime in the Midlands. These innovative ideas once tested have the potential to be replicated into projects which are successful at creating social change on a larger scale.

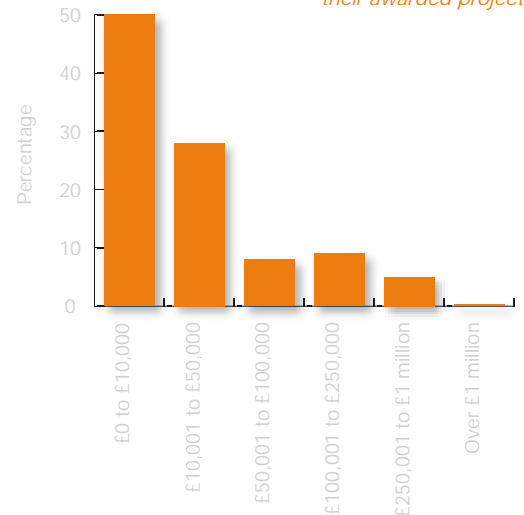
- ★ At the end of an UnLtd Award, 36% of projects were either already being replicated or had plans to be replicated soon (737 of 2048 projects).

## ECONOMIC OUTCOMES

Social entrepreneurs generate significant economic outcomes, a situation which has not changed in the current economic climate. This is demonstrated by the 437 previous UnLtd Award Winners who responded to a follow-up survey:

- ★ UnLtd Award Winners created an average of 4 jobs each.
- ★ UnLtd Award Winners created an average of 14 training opportunities each.
- ★ 50% of those who continued their UnLtd awarded projects increased their turnover in the last year. This again mirrors the SEC (2009) survey, highlighting their value in the current economic climate.
- ★ Whilst the majority of social entrepreneurs funded by UnLtd start small-scale projects, a small proportion expand and generate significant turnover, as demonstrated in *Figure 2*.

*Figure 2 : Percentage of previous UnLtd Award Winners generating turnover through their awarded project*



## SOCIAL CAPITAL

Social capital facilitates individual or collective action and is generated by networks of relationships, reciprocity and trust. It is integral for democracy and community cohesion, creating bonding between social groups, as well as bridging any divisions between them. In relation to this, we have found that:

- ★ 53% of all awarded projects enhance social capital by forming new networks, providing education, increasing familiarity and generating interest from local businesses and local authorities.
- ★ On average, social entrepreneurs create 15 volunteer positions when they continue their projects (of those 437 who responded to UnLtd's follow-up survey).

On average, an UnLtd Award Winner creates 4 jobs, 14 training opportunities and 15 volunteering opportunities.

## THE RIPPLE EFFECT

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UnLtd aims first and foremost to invest in social entrepreneurs who are at a very early stage in their work, with the belief that this initial act of trust and support enables them to develop skills through running their project. UnLtd Research has found that this creates a 'ripple effect', empowering people with the skills and confidence they need to set up and run a social venture, both now and in the future.

- ★ 70% of UnLtd Award Winners reported that they had gained confidence and 62% gained leadership skills after running their awarded project.
- ★ Of the 437 Award Winners who completed the follow-up survey, 75% were continuing with their awarded project and a further 9% chose to set up another social venture.
- ★ Without UnLtd support, 57% of Award Winners would have struggled to run their project and a further 22% feel that they would not have been able to run it at all.

- ★ 89% of UnLtd Award Winners feel able to create social change. Of these, almost all (97%) feel that this is a direct result of running their UnLtd awarded project.
- ★ 92% of Award Winners feel that they are able to run a social venture. Of these, almost all (98%) feel that this is a direct result of running their UnLtd awarded project.

Even allowing for some positive sample bias here, the results indicate substantial benefit. The evidence throughout this paper highlights that social entrepreneurs learn through action. Moreover, running a social venture has a 'ripple effect' in the impacts it creates, which varies in both type (social, economic, environmental) and scale (from the individual, to their beneficiaries, to wider society). As such, the impact generated by UnLtd is sustainable. This is not solely defined by financial success, or whether a social enterprise is created. Instead, it begins with the individual and their capacity to set up and run a social venture to benefit society.

## CONCLUSION

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Social entrepreneurs are often ordinary people who understand practical solutions to social problems and as such, are extraordinary in the work that they do. Supporting individual social entrepreneurs to set up and run a social venture has an amplified 'ripple effect', both on them, the communities in which they work and the social problems they address. Social entrepreneurs generate new ideas to solve social problems or connect existing solutions with communities that need them. They create jobs, training, and volunteering opportunities. They create new and viable business models with real financial impact on the UK economy. They create publications, products and services, safer schools, better neighbourhoods and stronger communities.

Overall, social entrepreneurship has the potential to help the pressing social and environmental problems the UK faces today. Although there is much to learn, this Findings Paper has provided an initial insight into this sector and the individuals who take it forward, demonstrating how small-scale investment has the potential to create significant and lasting social change. UnLtd Research is dedicated to learning more about the everyday realities in which social entrepreneurship is embedded. We are committed to sharing these findings to inform public policy, academic thinking, practitioner knowledge and the growth of the sector. Future UnLtd Research Findings Papers will explore social entrepreneurs' motivations, young social entrepreneurship and the role of social entrepreneurs in facilitating community cohesion.

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