EXPLORING SOCIAL ENTREPRENEURSHIP ACTIVITY IN THE UNITED STATES: FOR PROFIT VENTURES GENERATING SOCIAL AND ECONOMIC VALUE (SUMMARY)

Heidi Neck  
Babson College, hneck@babson.edu

Candida Brush  
Babson College

I. Elaine Allen  
Babson College

Recommended Citation
Neck, Heidi; Brush, Candida; and Allen, I. Elaine (2008) "EXPLORING SOCIAL ENTREPRENEURSHIP ACTIVITY IN THE UNITED STATES: FOR PROFIT VENTURES GENERATING SOCIAL AND ECONOMIC VALUE (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 28: Iss. 21, Article 7.  
Available at: http://digitalknowledge.babson.edu/fer/vol28/iss21/7
SUMMARY

EXPLORING SOCIAL ENTREPRENEURSHIP ACTIVITY IN THE UNITED STATES: FOR PROFIT VENTURES GENERATING SOCIAL AND ECONOMIC VALUE

Heidi Neck, Babson College, USA
Candida Brush, Babson College, USA
Elaine Allen, Babson College, USA

Principal Topic

Venture creation resulting from the exploitation of opportunities to help relieve social ills, halt the depletion of natural resources, and build sustainable futures is creating a new generation of mission-based, social entrepreneurs. Given this momentum academic interest in social entrepreneurship is gaining popularity (Mair & Marti, 2004; Austin & Stevenson, 2006). Yet, empirical research to date is limited with a primary focus on the non-profit context and individual actions of social entrepreneurs with less work examining the extent to which for-profit ventures engage in entrepreneurial processes to solve social problems (Dees, 1998). This research explores social entrepreneurship activity in the United States and assesses to what degree social entrepreneurs pursue social goals over, or in conjunction with, economic goals. Though noble in their attempt, the challenge of achieving social and economic performance is a significant problem facing both nascent and established entrepreneurs.

Method

The data are sourced from the 2007 United States Survey on Global Entrepreneurship as part of the Global Entrepreneurship Monitor (GEM) research cycle. A telephone survey was used to acquire information from 2,200 nascent and new entrepreneurs operating a venture for less than 42 months. Questions were asked related to economic and social goals, sector impact, and performance measurement.

Results and Implication

We present a typology that classifies ventures based on intended mission and intended impact to illustrate how traditional ventures differ from social ventures and how social ventures can exist for social and economic purposes. The data allowed us to discover four classifications: 1) the traditional venture, 2) the social purpose venture, 3) the social consequence venture, and 4) the enterprising nonprofit. We found that 71% of startups are classified as traditional, 5% social purpose, 19% social consequence, and 5% enterprising nonprofit. Interestingly, the data show that established entrepreneurs (those in business for less than 42 months) place a greater emphasis on social impact than do new entrepreneurs. In other words, there is evidence that entrepreneurs can change classification as the venture ages.

The boundaries are admittedly blurring between social and economic ventures. Perhaps as the world changes so is the overarching definition of entrepreneurship. Is social entrepreneurship different or is entrepreneurship simply evolving and moving to a new level?

CONTACT: Heidi Neck; hneck@babson.edu; (T): 781-239-5577; Babson College, Wellesley, MA 02457.