

# What Distinguishes Social Entrepreneurs From Business Entrepreneurs? Insights From GEM

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## Abstract

**Objectives:** What sort of people become social entrepreneurs, and in what way do they differ from business entrepreneurs? This question is important for policy because there has been a shift from direct to indirect delivery of many public services, requiring a professional approach to social enterprise. Yet we know little about who sets up social enterprises.

**Prior work:** Much prior work on social entrepreneurs has been based on small and convenience samples, and this is true in the United Kingdom as elsewhere. An exception is work based on annual UK Global Entrepreneurship monitor (GEM) surveys (e.g. Levie et al., 2006).

**Approach:** Defining and distinguishing business from social entrepreneurs is problematic. However, inclusion of items that measured the relative importance of economic, social and environmental goals in the 2009 UK GEM survey enables us to compare business and social entrepreneurs based on two different definitions: activity-based (setting up or running a new business or any kind of social, voluntary or community activity, venture or initiative) and goals-based (setting up or running a new organisation which has mainly economic goals versus mainly social goals). We use logistic multivariate regression techniques to identify differences between business and social entrepreneurs in demographic characteristics, effort, aspiration, use of resources, industry choice, location and organisational structure, identified from a representative sample of 30,000 adults interviewed in the United Kingdom in 2009.

**Results:** The results show that the odds of an early-stage entrepreneur being a social rather than a business entrepreneur are reduced if they are male, from an ethnic minority, if they work 10 hours or more per week on the venture, and if they ever worked in their parents business, while they are increased if they have higher levels of education and if they are a settled in-migrant to their area.

**Implications:** These results suggest that a high proportion of social enterprise founders are part-time founders. This could be a cause for concern for policy-makers keen to shift delivery of professional services from the public sector to a professional third sector. Future surveys could test if there is a hand-over of control from founders to full-time managers as social enterprises mature.

**Value:** To our knowledge, this is the first time that large representative samples of business and social entrepreneurs have been compared using multivariate analysis. This type of research complements case-based research, enabling hypotheses raised by qualitative research to be tested on representative samples of a population.

## Introduction

What sort of people become social entrepreneurs, and in what way do they differ from business entrepreneurs? This question is important for policy in the United Kingdom in particular because there has been a shift from direct to indirect delivery of many public services, requiring a professional approach to social enterprise (Turner and Martin, 2005). Signalling this shift would continue, the prime minister of the incoming coalition government, David Cameron, launched his “Building the Big Society” initiative on 19 July 2010 which would “open up public services to new providers like charities, social enterprises and private companies so we get more innovation, diversity and responsiveness to public need.”

This shift relies on the foundation of new social enterprises by individuals: social entrepreneurs. Yet, we know little about who sets up social enterprises, and whether they differ from those who start businesses (Vega and Kidwell, 2007). To complicate matters, organisations in the social economy range from large global charities to workers cooperatives, social clubs and community action groups, and there is no neat separation of social enterprises from private or public sector enterprises. The arrangement of organisations is more like a spectrum than a neat classification. For example, scholars have identified a class of “civic entrepreneurs” who are business entrepreneurs whose business model includes a social mission (Monti, Ryan, Brush, and Gannon, 2007). This has caused difficulties in defining the boundaries of social enterprises (Jones and Keogh, 2006) and, as a result, distinguishing social entrepreneurs from business entrepreneurs.

Much prior work on social entrepreneurs has been based on small and convenience samples (see e.g. Amin, 2009; Jones, Latham and Betta, 2008; Parkinson and Howorth, 2008; Shaw and Carter, 2007; Vega and Kidwell, 2007; Weerawardena and Mort, 2006; Thompson and Doherty, 2006; Thompson, 2002), and this is true in the United Kingdom as elsewhere. Two exceptions are a univariate study based on annual UK Global Entrepreneurship monitor (GEM) surveys (Levie et al, 2006) and a multivariate study using similar survey questions but using an internet data collection method in the US which identified characteristics of social entrepreneurs compared with others in the sample, but not explicitly compared to business entrepreneurs (Van Ryzin, Grossman, DiPadova-Stock and Bergrud, 2009).

In the next section, we review the literature on social entrepreneurs and develop hypotheses relating to differences between business and social entrepreneurs. In the methodology section, we show how we addressed the weaknesses of prior empirical studies to test the hypotheses. This is followed by results of univariate Chi square analysis and multivariate logistic regression analysis, comparing early-stage business and social entrepreneurs using two different approaches to identification that identify and exclude individuals that are equally social and business entrepreneurs. Then, the results are discussed in the light of the hypothesis test results and conclusions drawn for the social economy, government and further research.

## Literature Review

In this section, we review the literature for definitions of social entrepreneurs, and in particular, what distinguishes them from business entrepreneurs. Social entrepreneurs tend to be defined in terms of what they (try to) do – the spirit of their activity – but there is considerable overlap with business entrepreneurs in the nature of their activity. Tony Blair, the former UK prime minister, described “social entrepreneurs” as “those people who bring to social problems the same enterprise and imagination that business entrepreneurs bring to wealth creation”. Drucker (1985) and Leadbeater (1997) see them as individuals who initiate social innovation and change. Thompson, Alvy and Lees (2000, p.328) have described them as “people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather the necessary resources and use these to ‘make a difference’”.

According to Prabhu (1999, p.140), “social entrepreneurial leaders are persons who create and manage innovative entrepreneurial organizations or ventures whose primary mission is the social change and development of their client group. These social entrepreneurial organizations may depend on outside funding for their activities or be self-sufficient by engaging in economic activity in consonance with their core mission. Surplus may be created through such economic activity and used for their social mission. They may also attain self sufficiency by initiating economic activity among their client group as part of their social mission and retain subsistence funds from the surplus generated”. Thompson (2002) noted (p.412) that “many social entrepreneurs would not describe themselves as “entrepreneurs” or feel comfortable with that terminology, a view that is supported empirically by the findings of Shaw, Shaw and Wilson (2002) and Parkinson and Howorth (2008). He takes a wide view of social entrepreneurs, contending that social entrepreneurs can be found in:

- “profit-seeking businesses that have some commitment to doing good and helping society and the environment with their strategies and financial donations;
- social enterprises which are set up with a largely social purpose, but which are still businesses;
- the voluntary sector.”

Supporters of social entrepreneurs have their own – and different - views on what social entrepreneurs are or are not, and these tend to be coloured by cultural preferences. Some, like Bill Drayton, the American founder of Ashoka, cast social entrepreneurs in heroic terms as social revolutionaries who try to remake the world for the better. “At some deep intuitive level a social entrepreneur knows they have to change the whole of society”, he is reported as saying. “They are married to a vision” (Goff, 2006, p.7). As Jeff Skoll, an American social venture philanthropist, put it: “At the Skoll Foundation we call social entrepreneurs society’s change agents: the pioneers of innovation for the social sector. I think there is a lot of overlap between social entrepreneurs and business entrepreneurs. Both see and act on what others miss, the opportunities to improve systems, to create solutions, to invent new approaches. Like business entrepreneurs these folks are also intensely focused, self-driven, and very determined in pursuit of their vision. The biggest difference though is that whereas business entrepreneurs go after a problem from a purely economic viewpoint, social entrepreneurs usually have a vision of something that they would like to solve in the social sector. They are not necessarily in it for personal materialistic or monetary remuneration” (Dearlove, 2004, p.34).

UK commentators (academic and practitioners) tend to have adopted less of a heroic, ambitious, tone to their descriptions of social entrepreneurs, possibly for cultural reasons. For example, Amin (2009, p31) concludes that “life in the social economy is pretty unglamorous, sometimes slow or without future promise, and often hard work for relatively small gains, but it is still valued in its own terms by its various participants”. Demarco (2004), who founded the Social Entrepreneurs Network Scotland (Senscot), suggests that ‘social entrepreneurs’ “is just a new term for those generous individuals who have always existed and who are motivated to make the world better” (p.48). He suggests a broad definition, such as “folk who have an idea to benefit their community; who are willing to get their hands dirty to achieve it; who have the necessary perseverance. Such people are found in any occupation or community. Maybe one or two per cent of the adult population”. He quoted the definition of social entrepreneurs used by UnLtd, the UK’s largest social entrepreneurship incubator: “people who have the ideas and the commitment to make a difference in their communities” (ibid.). A more recent definition by UnLtd seems more ambitious, but could be interpreted as referring to the global or local level: “people who can transform the world in which they live”<sup>1</sup>.

Few explicit comparisons of business and social entrepreneurs have been made by scholars. In a theoretical contribution, Vega and Kidwell (2007) distinguished drive and desired return as two main dimensions of difference. But no large scale empirical studies appear to have been conducted that compare social and business entrepreneurs, apart from an exploratory study by Levie et al. (2006). Reviewing this literature, several differences between business and social entrepreneurs may be proposed. We identify eight themes for investigation.

#### Gender

Levie et al (2006) found that business entrepreneurs were twice as likely to be male than female entrepreneurs, while male and female rates of SEA were similar. This may be for a number of reasons. Individuals already in work tend to be more likely to spot opportunities for starting a business than those not in work, and women tend to have a lower participation rate in the workforce at just the age group that has the highest start-up rate: in one’s thirties, where experience and interest are at an optimum. This happens to also be the peak child-rearing age for adults in the UK and thus the level of work experience is lower on average among women than men at the peak age for business start-up (Levie, Carter and Currie, 2005). By contrast, it is exposure to community issues that reveals opportunities for social entrepreneurship. Far from being an obstacle to spotting opportunities for social entrepreneurship, child-rearing duties are likely to increase the awareness of women to pressing social issues in the community.

H1: Early-stage business entrepreneurs are more likely to be male than early-stage social entrepreneurs.

#### Age

The pattern of age for early-stage business entrepreneurs is well known (see e.g. Levie, 2007), and follows an inverse U shape with activity peaking between 25 and 44, where declining interest meets increasing experience. Levie et al. (2006) found that early-stage social entrepreneurial activity had no such pattern, being relatively even across the age groups. This means that we would expect an entrepreneur to be more likely to be a business than a social entrepreneur in the middle years, but not in the youngest and oldest age groups.

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<sup>1</sup> <http://www.unltd.org.uk/> accessed 31 July 2010

H2: An entrepreneur is more likely to be a business than a social entrepreneur in their middle years.

#### Education

The link between education level and propensity to be an early-stage business entrepreneur in the UK is well established (Levie, 2007). Levie et al. (2006) established that both TEA and SEA rise with education but did not discuss whether there were differences in the relationship. Social entrepreneurship is in many ways more complex than business entrepreneurship; more stakeholders are involved, the goals may be clear but the means to achieving them may be highly political. Above all, there is the inability of the consumers of the service provided to pay for that service, creating a constant struggle for resources. By contrast, business is more straightforward. Perhaps for this reason, social entrepreneurs might have to be more educated than business entrepreneurs.

H3: Early-stage social entrepreneurs are more likely to be well educated than early-stage business entrepreneurs.

#### Ethnicity

In the UK, many ethnic minority groups tend to cluster, and many of these clusters are in deprived wards. This is clearly visible in GEM UK data. For example, ethnic minority individuals comprise 20% of the 2009 GEM UK sample in the most deprived quintile of wards, but only 6.5% in the least deprived quintile, as measured by the Index of Multiple Deprivation. One might expect to see, as a result of this combination of social clustering, lower local economic demand and greater social need, a higher proportion of social entrepreneurship than business entrepreneurship among ethnic minority communities.

H4: Early-stage social entrepreneurs are more likely to be from ethnic minorities than early-stage business entrepreneurs.

#### Origin and integration

According to Bourdieu's notion of social conditioning or 'habitus', social groups can acquire a set of routines that are adjusted to the conditions in which they find themselves, making it difficult socially to break out (Bourdieu, 1977, p.95). This suggests that individuals who have lived all their lives in a community might be more likely to accept the status quo than individuals who have moved into the area. If this is the case, incomers then might be more likely to be social entrepreneurs than life-long residents of an area. On the other hand, the notion of habitus also suggests that in-migrants are also more likely to be business entrepreneurs, since in-migrants can perhaps see what goods and services are missing in a local community more easily than people who have been there all their lives (Levie, 2007). In any case, one would not expect social or business entrepreneurs to be more likely to be very recent arrivals to an area; they might need time to identify social needs and develop networks and the confidence to create initiatives in a new community. Overall, we hypothesise that the incomer effect is stronger for social than for business entrepreneurs:

H5: Early-stage social entrepreneurs are more likely than early-stage business entrepreneurs to be settled incomers to their community.

#### Family background

Family background has a significant effect on business entrepreneurial propensity (Athayde, 2009). Studies have shown that a family business background, such as having a parent as an entrepreneur or having worked in a family business increases the likelihood of being an early-stage entrepreneur (Levie, 2010). Such a background might "crowd out" the option of social entrepreneurship in favour of business entrepreneurship. Accordingly, we propose:

H6: Social entrepreneurs are less likely to have had a family business background than business entrepreneurs.

#### Time Commitment

One theme of the social enterprise literature is volunteerism, and this is an important part of the Big Society debate. Many social entrepreneurs, it seems, are part-time entrepreneurs. While many business entrepreneurs also have other jobs, the voluntary nature of much of social enterprise suggests that it may be more of a part-time endeavour than business entrepreneurship. Indeed, it may need to be part-time, since there is typically no clear income source for the founder of a new social enterprise from within the enterprise itself, because its clients cannot afford to pay for the service. Thus we propose:

H7: Early-stage social entrepreneurs spend less time on their ventures than early-stage business entrepreneurs.

## Method

We define early-stage business (or social) entrepreneurial activity as the creation of new business (social economic) activity, which includes both the start-up process, or nascent business (social) entrepreneurial activity, and the management of a new business (social) venture.

We use the GEM UK database of 20,919 respondents aged between 18 and 64 years who completed a telephone interview between May and September. The respondents were selected using random digit dialling by a professional market research company, with random samples being taken within each of the 12 Government Office Region. Regional samples were weighted at the individual level for age group, gender, ethnicity (white/non white) in proportion to the population and then weighted at the regional level to account for differences in regional sample to population proportions. Only data from those individuals identified as business or social entrepreneurs using a set of filters outlined below were used in this study, for an N of 854. The weighted UK sample was used for univariate tests and the unweighted sample was used for logistic regression analysis.

Nascent business entrepreneurs are identified as those who respond positively to the statements “You are, alone or with others, currently trying to start a new business, including any type of self-employment or selling any goods or services to others” or “You are, alone or with others, currently trying to start a new business or a new venture for your employer - as part of your work”. New entrepreneurs were identified as those who agreed with the statement “You are, alone or with others, currently the owner of a business you help manage; or you are self-employed or selling any goods or services to others”. Additional filter questions checked that the individuals would or were owners and managers and that in the case of nascent entrepreneurs had actually done something to help start the new business in the past 12 months. Respondents were also asked if the business had been paying wages, salaries or payments in kind for more than three months, and if so, in which year this started. This gave the start-up year for the venture, with the three month cut-off deemed the transition point from nascent to new venture.

In 2009, the Global Entrepreneurship Monitor research consortium adapted an operational definition of *social economic* activity that the UK GEM team had been testing for several years:

“any kind of activity, organisation or initiative that has a particularly social, environmental or community objective. This might include providing services or training to socially deprived or disabled persons, using profits for socially oriented purposes, or organising a self-help group for community action.”

A similar, though slightly truncated, identification system for social nascent and new entrepreneurs was used to that employed for business entrepreneurs. The questionnaire also included checks to see if the venture a social entrepreneur was describing was the same as the business they may have described earlier in the interview. A wide range of questions was asked of respondents, relating to their entrepreneurial attitudes, activities and aspirations, in addition to a battery of demographic questions including age, gender, ethnicity, education, income, location, and origin. Postcode data on each respondent enabled the assignment of a government Index of Multiple Deprivation to their local area. For analysis, the total sample was split into quintiles based on this measure. Origin and integration was operationalised by asking respondents where they were born and how long they had lived “in this region”.

In 2009, a new set of questions was asked of business and social entrepreneurs as follows:

“Organisations may have goals to generate value to society and the environment as well as to generating economic value. Out of a total of 100 points, please allocate points to these three categories in terms of how they fit your business’s goals. For example, another organisation might allocate 80 points to economic value, 10 points for value to society, and 10 points for environmental value.

Firstly, how many points out of 100 for economic value?  
And how many points out of 100 for value to society?  
And how many points out of 100 for environmental value?”

The proportion of respondents answering ‘don’t know’ or refusing to answer this set of questions on goals was quite low: less than 10%. This question allowed us to identify the proportion of those business or social entrepreneurs identified through the previous set of filter questions who had mainly (at least 51%) social goals

versus mainly economic goals. This provided us with an additional filter to distinguish “pure” early-stage business entrepreneurs whose goals for the venture was mainly economic from “pure” early-stage social entrepreneurs whose goals for the venture were mainly social. In this way, we avoided the ambiguity of the status of individuals who regard their venture as equally business and social in nature. We also excluded individuals with both business and social ventures. 24% of early-stage social (only) entrepreneurs had mainly economic goals and 17% of early-stage business (only) entrepreneurs had mainly social goals. Thus our final sample consisted of 646 early-stage business entrepreneurs and 208 early-stage social entrepreneurs for a total sample size of 854.

## Results

In this section, we report univariate tests and multivariate tests of the five hypotheses for the goal-based measure of business and social entrepreneurs. Table 1 reports Chi-square test results from the weighted sample and Table 2 reports logistic regression results from a final model. The univariate results support Hypotheses 1,2,3,6, and 7, while the multivariate results, which estimate the independent effect of each variable, taking into account the effects of the other variables in the regression, support all Hypotheses except H4. The Hosmer-Lemeshow test suggests the model fit is acceptable, and three-quarters of both social and business entrepreneurs were predicted accurately by the model.

The results confirm that social entrepreneurs are less likely to be male than business entrepreneurs. Young adults appear to be more likely to be social entrepreneurs than business entrepreneurs, but those aged 25-34 are more likely to be business entrepreneurs. People are more likely to be social than business entrepreneurs with increasing levels of education. Contrary to hypothesis 4, the multivariate results suggest that the odds of an ethnic minority individual in the sample being a social entrepreneur rather than a business entrepreneur are almost three times lower than the odds for a white individual. The multivariate results suggest that the odds of someone being a social entrepreneur rather than a business entrepreneur are increased over 1.8 times if they have been in the region for between 10 and 19 years, no more and no less. The Wald statistic suggests that time committed to the venture is the most important factor considered in this study in predicting whether an entrepreneur is a social or business entrepreneur. Social entrepreneurs are much more likely to put in fewer hours. If an early-stage entrepreneur had a parent who ran their own business and if they worked in that business, the odds of them being a social entrepreneur rather than a business entrepreneur are reduced by 1.7 times.

A wide range of other demographic variables were entered into the regression, including household income and local deprivation (using the ward-based Index of Multiple Deprivation) and interaction effects were also investigated. None were found to be significant or to add the model.

## Conclusion

These results show that many social venture founders devote relatively little time to starting and running their new venture; 94% of them devote less than 40 hours a week, compared to 57% of early-stage business entrepreneurs, and almost three-quarters of them devote less than 10 hours a week.

Given the UK government’s aims for the sector, this could be a cause for concern. However, more research is needed on management succession in social versus business ventures. Case evidence (e.g. Amin, 2009) hints at a significant change-over in management from founders to “professional” managers from the third sector. It may be that there is a division of labour in the process of new social venture creation, with those who spot local needs not necessarily having the time or the expertise to manage a social venture. If this is confirmed, the part-time nature of most social venture foundings may be less of a worry to policy-makers expecting social entrepreneurs to make significant contributions. Instead, thought may need to be given to facilitating a market for social venture managers to take over the running of young social ventures set up by people who recognised the need in the first place and got things started.

Future GEM surveys could test the proposition of management succession in social enterprises by simply asking social enterprise managers how long they had been managing the business. Linking this information to the age of the business, whether the manager was a founder, how many hours they work in the social enterprise and other data on the nature of the enterprise and the manager’s aspirations for the enterprise could reveal policy-relevant issues of tenure patterns.

While the results in this paper tell us more about what distinguishes social entrepreneurs from business entrepreneurs, they do not tell us why social entrepreneurs start. This sort of information could be gathered using existing survey methodology; indeed, it is already collected for business entrepreneurs. This would enable comparisons of motives for business entrepreneurship versus social entrepreneurship. This sort of

information would be valuable for policy-makers, since their assumptions that social entrepreneurs will want to bid for work outsourced by government might be at odds with the intense personal motives for starting that have been uncovered by case study research (see, e.g. Shaw et al., 2002). Usually these revealed motives are recognition of a perceived failure on the part of government to provide a specific service. Future GEM surveys could test whether the picture painted by case study research, based on convenience samples, of the motives of social entrepreneurs, are representative of social entrepreneurs in general.

Future research could also investigate if social entrepreneurs tend to live in the communities they start their social enterprises in, and link any differences in location to scale of deprivation of the area. While there appears to be no association between household income or local deprivation and propensity to be a social versus a business entrepreneur in the sample employed in this study, it is possible that a significant number of social entrepreneurs active in deprived localities do not live in them.

Table 1. Distinguishing characteristics of “pure” social versus business early-stage entrepreneurs: Chi-square test results weighted sample

H no.			Business entrepreneurs	Social entrepreneurs	Total N	Chi-square test statistic	Sig.
1***	Gender	% Female	27.1	46.0	865	25.759*	.000
2***	Age	%18-24 yrs	6.4	20.3	85	55.679	.000
		% 25-34 yrs	30.1	11.7	221		
		% 35-44 yrs	29.4	35.3	267		
		%45-54 yrs	22.5	19.4	188		
3***	Education	% 55-64 yrs	11.6	13.2	104	35.379	.000
		% Up to GCSE level	23.7	6.5	165		
		% Vocational	9.7	6.3	75		
		% A level	21.0	29.0	194		
4	Ethnicity	% Graduate	45.6	58.3	411	0.236*	.627
		% white	85.2	86.8	865		
5	Origin and integration (time in region)	% less than 10 yrs	26.2	23.4	221	0.986	.611
		% 10-19 yrs	15.1	17.2	135		
		% 20+ yrs	58.7	59.4	509		
6*	Family business background	% no family business background	64.9	64.1	559	9.186	.010
		% parent had business	17.5	24.9	167		
		% worked in parent's business	17.7	10.9	138		
7***	Time commitment	% < 10 hrs/week	22.2	73.7	295	195.007	.000
		% 10-39 hrs/week	34.9	20.8	268		
		% 40+ hrs/week	42.9	5.5	287		
8	Index of Multiple Deprivation	Quintile 1 (least deprived)	21.2	20.7	167	6.627	.157
		Quintile 2	24.7	25.6	198		
		Quintile 3	22.3	23.4	179		
		Quintile 4	16.0	21.1	137		
		Quintile 5 (most deprived)	15.9	9.3	114		

\*Continuity correction for 2x2 table



Table 2. Distinguishing characteristics of “pure” social versus business early-stage entrepreneurs: Logistic regression results

H no.	Dependent variable: social entrepreneur (1) versus business entrepreneur (0)	B	Wald	Sig.	Exp(B)
1	Gender(female)	.349	2.203	.138	1.417
2*	Age (18-24 age group is reference group)		11.092	.026	
	Age 25-34	-1.344	5.161	.023	.261
	Age 35-44	-.638	1.387	.239	.528
	Age 45-54	-1.038	3.420	.064	.354
	Age 55-64	-.244	.176	.674	.784
3*	Education (Up to GCSE is reference group)		9.492	.023	
	Education Vocational	.804	2.486	.115	2.236
	Education A level	.986	5.700	.017	2.681
	Education Graduate	1.143	9.385	.002	3.135
4*	Ethnicity (white)	1.199	6.405	.011	3.316
5**	Origin and Integration (In region for 10-19 years versus others)	.899	8.140	.004	2.458
6*	Family business background (Neither parent ran own business is ref. group)		6.300	.043	
	A parent ran their own business, respondent did not work in it	.595	3.091	.079	1.814
	A parent ran their own business, respondent did work in it	1.007	6.298	.012	2.738
7***	Time commitment (40 or more hours a week is reference group)		84.096	.000	
	less than 10 hours a week	4.723	40.785	.000	112.506
	10 to 39 hours a week	2.835	14.346	.000	17.025
8*	Index of Multiple Deprivation (Least deprived quintile (1) is reference group)		9.525	.049	
	Quintile 2	.589	3.003	.083	1.802
	Quintile 3	.834	5.494	.019	2.302
	Quintile 4	1.039	7.428	.006	2.827
	Quintile 5	.941	5.092	.024	2.562
	Constant	-7.393	44.315	.000	.001

Key to Hypothesis tests in column 1: \* p<.05, \*\* p<.01, \*\*\* p<.001

Model

N = 639

Step 0 -2 Log Likelihood 710.307

Step 1 -2 Log Likelihood 471.988

Chisquare 238.319 d.f. 18 p=.000

Model fit: Hosmer Lemeshow Test Chi-square 3.645, p=.888

Variance explained: Nagelkerke R square .464

Cut: .24

% of cases predicted accurately: 77.8 (84.0% of social entrepreneurs and 75.8% of business entrepreneurs)

Table 3. Distinguishing characteristics of male “pure” social versus business early-stage entrepreneurs: Logistic regression results

	Dependent variable: social entrepreneur (1) versus business entrepreneur (0)	B	Wald	Sig.	Exp(B)
	Age (18-24 age group is reference group)		6.979	.137	
	Age 25-34	-1.267	2.199	.138	.282
	Age 35-44	.239	.104	.747	1.270
	Age 45-54	-.244	.102	.749	.783
	Age 55-64	-.345	.185	.667	.708
	Education (Up to GCSE is reference group)		4.514	.211	
	Education Vocational	-.243	.110	.740	.785
	Education A level	.639	1.148	.284	1.895
	Education Graduate	.789	2.186	.139	2.201
	Ethnicity (white)	.986	2.862	.091	2.681
	Origin and Integration (In region for 10-19 years versus others)	.758	2.662	.103	2.135
	Family business background (Neither parent ran own business is ref. group)		1.788	.409	
	A parent ran their own business, respondent did not work in it	-.067	.021	.886	.935
	A parent ran their own business, respondent did work in it	.545	.888	.346	1.725
	Time commitment (40 or more hours a week is reference group)		54.924	.000	
	less than 10 hours a week	4.141	41.217	.000	62.854
	10 to 39 hours a week	2.157	10.175	.001	8.646
	Index of Multiple Deprivation (Least deprived quintile (1) is reference group)		1.241	.871	
	Quintile 2	.089	.034	.854	1.094
	Quintile 3	.458	.859	.354	1.582
	Quintile 4	.333	.380	.538	1.395
	Quintile 5	.002	.000	.997	1.002
	Constant	-5.674	21.116	.000	.003

Key: \* p<.05, \*\* p<.01, \*\*\* p<.001

Model

N = 379

Step 0 -2 Log Likelihood 359.671

Step 1 -2 Log Likelihood 238.780

Chisquare 120.891 d.f. 17 p=.000

Model fit: Hosmer Lemeshow Test Chi-square 9.199, p=.326

Variance explained: Nagelkerke R square .446

Cut: .18

% of cases predicted accurately: 79.4 (84.1% of social entrepreneurs and 78.4% of business entrepreneurs)

Table 4. Distinguishing characteristics of female “pure” social versus business early-stage entrepreneurs:  
Logistic regression results

	Dependent variable: social entrepreneur (1) versus business entrepreneur (0)	B	Wald	Sig.	Exp(B)
	Age (18-24 age group is reference group)		13.261	.010	
	Age 25-34	-2.287	4.812	.028	.102
	Age 35-44	-2.160	4.734	.030	.115
	Age 45-54	-2.743	7.116	.008	.064
	Age 55-64	-1.168	1.271	.260	.311
	Education (Up to GCSE is reference group)		7.798	.050	
	Education Vocational	1.711	4.664	.031	5.532
	Education A level	1.126	3.344	.067	3.084
	Education Graduate	1.445	6.914	.009	4.242
	Ethnicity (white)	3.777	6.589	.010	43.705
	Origin and Integration (In region for 10-19 years versus others)	1.202	6.958	.008	3.328
	Family business background (Neither parent ran own business is ref. group)		6.824	.033	
	A parent ran their own business, respondent did not work in it	1.214	5.511	.019	3.367
	A parent ran their own business, respondent did work in it	1.490	6.272	.012	4.437
	Time commitment (40 or more hours a week is reference group)		37.461	.000	
	less than 10 hours a week	3.943	18.056	.000	51.592
	10 to 39 hours a week	1.893	4.277	.039	6.641
	Index of Multiple Deprivation (Least deprived quintile (1) is reference group)		13.137	.011	
	Quintile 2	1.131	4.982	.026	3.099
	Quintile 3	1.538	7.920	.005	4.654
	Quintile 4	1.974	11.413	.001	7.199
	Quintile 5	1.652	5.897	.015	5.218
	Constant	-8.838	22.067	.000	.000

Key: \* p<.05, \*\* p<.01, \*\*\* p<.001

Model

N = 262

Step 0 -2 Log Likelihood 335.796

Step 1 -2 Log Likelihood 566.213

Chisquare 111.668 d.f. 17 p=.000

Model fit: Hosmer Lemeshow Test Chi-square 10.808, p=.213

Variance explained: Nagelkerke R square .480

Cut: .34

% of cases predicted accurately: 76.7 (83.1% of social entrepreneurs and 73.4% of business entrepreneurs)

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