

# Individual & Business Giving

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# Outline

About the Hunter Centre

A little about our team

Core focus of our work:

- entrepreneurial philanthropy
- theoretical context
- research design

Engagement, Communication & Impact : research, practitioner & policy partners

Next Steps & Future Plans

# The Hunter Centre for Entrepreneurship

The Hunter Centre for Entrepreneurship is an academic department, endowed by Sir Tom Hunter for the study, research & encouragement of entrepreneurship.

Mission is to:

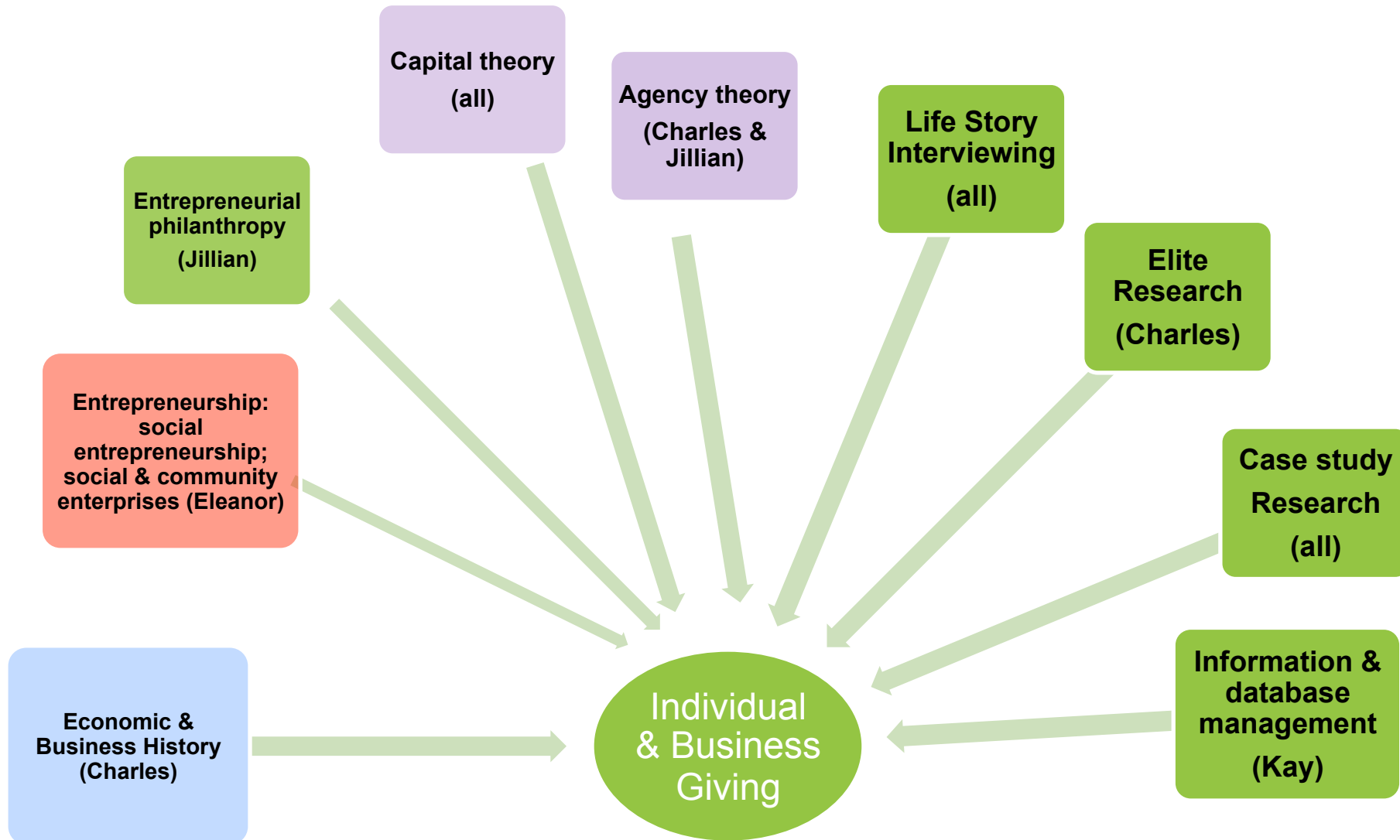
- Provide Strathclyde people with the knowledge, skills and confidence to practice entrepreneurship.
- Undertake research in entrepreneurship that combines excellence and relevance.
- Promote entrepreneurship as a socially desirable career option to students, staff and the Strathclyde community.

<http://www.strath.ac.uk/huntercentre>



Centre for Charitable Giving  
and Philanthropy

A little about our team...



## CGAP Research at Strathclyde

- To engage in original empirical investigations of contemporary approaches to and involvement in **entrepreneurial philanthropy** (individual, corporate & network forms).
- To use such evidence to inform theory, policy and practice in the area of **individual and business philanthropy**, in particular entrepreneurial philanthropy.

# Why Entrepreneurial Philanthropy?

Changing socio-economic & political environments combined with the emergence of a global economy and technological advances *may* have encouraged emerging (new?) approaches to philanthropy.

## Growing phenomena of:

- high net worth **individuals**, typically entrepreneurs, engaging in the active re-distribution of their wealth: 1<sup>st</sup> time ever more money given philanthropically while still alive.
- **organisations** with a strong commitment to CSR are investing in increasingly sophisticated mechanisms & structures to support this commitment & the redistribution of organisational wealth.

# Facts about Philanthropy & Giving

- UK giving amounts to around £16.3 billion per year & stems from 3 key sources: individuals, charities & organisations.
- Boosted by the contribution of large gifts by wealthy individual donors.
- Multiple stakeholders have vested interests in supporting, encouraging and engaging with philanthropy including entrepreneurial philanthropy: charities, third sector, government, intermediary organisations, wealth advisors.

## **Wealth Creation, Entrepreneurs & Philanthropy**

Many contemporary high net worth individuals are entrepreneurs.

Studies of wealthy households typically find a “tight relationship between being an ‘entrepreneur’ and being rich” (Cagetti and De Nardi, 2006:838).

The wealthiest households are more likely to comprise entrepreneurs than employees: over 80% of the top 1% wealthiest households are classified as entrepreneurs.

Entrepreneurs tend to be richer than non-entrepreneurs (Cagetti and De Nardi, 2006).

69% of the UK’s 100 biggest givers are self made millionaires.

Research has shown that the wealthy are more likely than the non-wealthy to become entrepreneurs (Quadrini, 2000; Nanda, 2008).

# Entrepreneurial Philanthropists & Wealth

Greater wealth of entrepreneurs is a result of different patterns of accumulation & higher levels of savings (Quadrini, 2000; Bradford, 2003; Cagetti and De Nardi, 2006).

Lump sum payments, e.g. annual shareholder dividends, are more likely to occur within entrepreneurial households.

Thus, successful entrepreneurs may have access to potentially large lump sums on a reasonably regular basis.

Contemporary high net worth entrepreneurs possess **significant** amounts of personal wealth; most of which is self made: see Forbes and Sunday Times Rich and Giving Lists.

## Nature of (new) Entrepreneurial Philanthropy

Involves more than large gifts.

**Active investment** of economic, social, human & symbolic capital for social change.

**Active redistribution** of their wealth.

Use of variety of vehicles: foundations, venture funds, pooling of resources.

Stipulation of performance indicators (double or triple bottom line?)

Identifiable exit strategy (money no longer needed); desire for sustainability.

Involves risk taking.

‘Productivity revolution’ in philanthropy: by applying their knowledge and skills from business to create sustainable change within traditionally non profit sectors (Bishop, 2006)

Shapes social and government agendas?



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# What we know about entrepreneurial philanthropy

A quick review of the research  
evidence



## **Observations on existing research**

Largely US based (Schervish)

Little empirical UK evidence.

Much anecdotal & media interest encouraged by high net worth celebrities and entrepreneurs with celebrity-like status.

Concentration on motivations, influences, typologies & decision making processes have received most attention (Supphellen and Nelson, 2001; Brady et al., 2002 Lloyd, 2004; Gordon forthcoming).

## Observations...

Recognition of link between families, family firms and entrepreneurial philanthropy (Lloyd, 2004; Pharaoh, 2009; Breeze, 2009).

Little theoretical development or contextualisation of research.

Problems with access, samples and methodologies.

Few critical considerations: impact on entrepreneur? Impact on social change agenda? Impact on recipients, beneficiaries, clients?

Very typical of an area at an embryonic stage of academic research.

## Research Gaps

Multiple influences on entrepreneurial giving: wealth accumulation, patterns of saving, vast quantities of personal wealth, family, gender, faith & household influences & considerations, wealth advisors etc.

Critical consideration of the impact of entrepreneurial philanthropy on: entrepreneurs, social change agendas, social change agents, those in receipt of their investment, government policy (domestic & international).

Entrepreneurial philanthropists, social entrepreneurs, social enterprises & social innovation.

Theory development.

Robust methodologies to uncover motivations and decision making processes e.g. life story interviewing, rep grid.

# Our Programme of Research

Engage in cross-national, comparative research to explore the importance and impact of differences in cultural, religious, institutional, socio-economic & historical settings on contemporary approaches to philanthropy.

Data will be collected using depth-interviews and case-study research.

## Research Questions

- How 'new' is entrepreneurial philanthropy?
- In what context does entrepreneurial philanthropy occur?
- What is the impact – positive & negative – on all concerned?
- What is the impact on public policy & political agendas?
- What can we learn from other countries e.g. Australia

## Research Intentions

Develop an evidence base and acquire empirical research evidence to be able to:

- Advise philanthropists, wealth advisors and other intermediaries on effective mechanisms for the redistribution of wealth.
- Advise policy makers on how best to encourage valuable, effective entrepreneurial philanthropy while monitoring its impact on agendas for social change.
- Advise social entrepreneurs, social enterprises and others in how best to identify, interact and engage with entrepreneurial philanthropists.

## Theoretical & Methodological Context

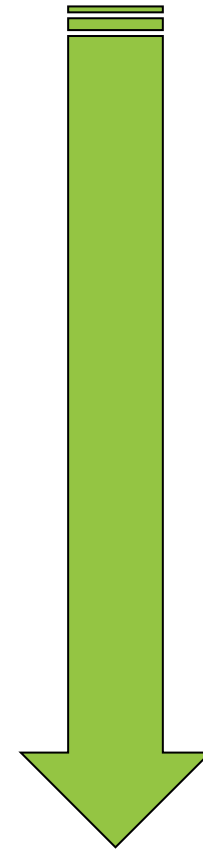
Capital Theory (Bourdieu, 1986), particularly entrepreneurial capital (Firkin, 2003).

Agency (Emirbayer and Mische, 1998) & hyper-agency (Schervish, 2003).

Life story & Narrative analysis (Bal, 1985; Czarniawska, 1998; Denzin 1989).

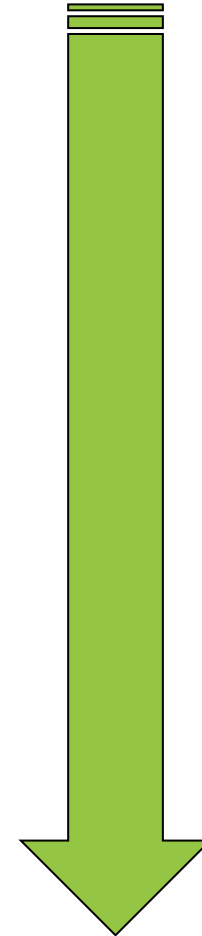
## Research phases

1. Developing a comprehensive database of secondary information regarding high net worth entrepreneurial philanthropists engaged in entrepreneurial philanthropy 2008-11.
2. Collect detailed data regarding all aspects of their entrepreneurial capital, wealth accumulation and wealth redistribution.
3. Analysis of data to explore patterns, clusters, similarities, differences and outliers in entrepreneurial philanthropy in the UK.



## Research phases

4. Interview a sample of UK entrepreneurial philanthropists.
5. Develop case studies of UK entrepreneurial philanthropists
6. Undertake comparative research by interviewing counterparts in the US, France, India and Australia.



# Engagement, Communication & Impact

Presented at ESRC/SCVO Public Policy Seminar of Social Innovation & the 3<sup>rd</sup> Sector (research, practitioner & policy).

Contributed to ESRC Public Policy document on this seminar series (research, practitioner & policy).

Paper accepted for presentation to Babson 2010 (leading international entrepreneurship academic conference) (research).

Preparing paper for International Small Business Journal (3\*; leading UK entrepreneurship journal ) (research).

Invited to present at the 3<sup>rd</sup> Research Colloquium on Social Entrepreneurship, Saïd Business School, University of Oxford, July 2010) (research, practitioner & policy).

# Engagement, Communication & Impact

Presented to EAPG (research, practitioner & policy).

Board member of Community Foundation for Northumbria, Tyne & Wear (research, practitioner & policy).

Worked with Community Enterprise in Scotland to develop courses around: 'Finding Opportunity in Recession' and 'Opportunities for Social innovation' (practitioner).

Written think piece for CGAP website on the UK Giving Report (2009) and piece on entrepreneurial philanthropists & symbolic giving (research, practitioner & policy).

Prepared, submitted & preparing various proposals for additional funding (research, practitioner & policy).

Prepared research briefing for Reprieve on the law sector in Scotland.

# Engagement, Communication & Impact

Proposal for summer internships.

Member of the Reference Group for the TSRC in Scotland (research, practitioner & policy).

Board Member Glasgow Women's Aid & Merchant City Marketing Co-operative (practitioner & policy).

Lead partner in University of Strathclyde's involvement in the Scottish Government's pilot to promote Social Enterprise in Further and Higher Education, proposal for Roberts funding (research, education, practitioner & policy).

Existing and developing relationships with: SCVO, NPC, various wealth advisors (in banks, lawyers, accountants), Enlight, Inspiring Scotland, Community Foundation Network, Scottish Community Foundation.

Doctoral student

# Next Steps & Future Plans



## Next immediate steps

ISBE paper

NVCO/VSSR conference

Article for VSR

## Future plans

Detailed analysis of database

Identification of possible cases

Development of corporate giving

Continue implementation of  
publications & dissemination plan