

## **Analysis: Social entrepreneurs**

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NEAN CONAN, host:

This is TALK OF THE NATION. Happy New Year. I'm Neal Conan in Washington.

This day every year many of us make promises to improve ourselves over the next 12 months: eat less, exercise more, stop smoking. Some of us decide to help others, donate time or money to charity. We thought today we'd focus on yet another group, people whose goal is no less than to change the world.

Throughout history there have always been humanitarians and philanthropists. Today there is growing recognition of a third force in society that operates alongside government and business, a group of people and organizations that apply the lessons and techniques of the market to problems like poverty, illiteracy and health. Some people call them social capitalists or social entrepreneurs.

If you have questions about who they are, what they're doing and how they do it, give us a phone call. Our number here in Washington is (800) 989-8255. That's (800) 989-TALK. And the e-mail address is [totn@npr.org](mailto:totn@npr.org).

Later in the program we'll talk about metrosexuals, embeds and flash mobs, the new or newly popular words that entered the language this past year.

But, first, social entrepreneurs. And J.B. Schramm joins us now from his office in Washington, DC. He's the founder and CEO of College Summit.

Happy New Year to you, and welcome to TALK OF THE NATION.

Mr. J.B. SCHRAMM (Founder, CEO, College Summit): Happy New Year, Neal.

CONAN: So what is College Summit? How does it operate?

Mr. SCHRAMM: Well, we are not metrosexuals, necessarily. College Summit is a non-profit organization that seeks to increase the college enrollment rate of low-income, young people all over the country. What we're trying to do is to do that with a social enterprise perspective.

CONAN: And how do you go about--what's the social enterprise perspective?

Mr. SCHRAMM: This is just my definition on it. I think you'll probably talk to 10 people and get 10 different ones. But when somebody looks at a social ill from a charity perspective, I think they see a need. When a social entrepreneur looks at a social ill, they see a market opportunity. So just like with any effective company, social enterprises succeed when they spot something in a market that's undervalued.

CONAN: So you go into this with a business model of sorts.

Mr. SCHRAMM: That's right. Well, it's a business model but also with the purpose of poverty reduction. And I think that's--I think what makes social enterprise is two things. One is having a purpose of high-leverage poverty reduction, and not all non-profit organizations have that as their purpose. You know, this morning the Tournament of Roses Parade Committee--that's a non-profit organization, but their purpose isn't poverty reduction. But for social entrepreneurship, poverty reduction, I believe, is the purpose. And then the 'how' is you

reduce poverty by aligning market forces.

CONAN: Now if you're going to do that, you've got to have a specific goal. Do you have one?

Mr. SCHRAMM: As we look at young people in the United States trying to enter full participation in American life, we see college as the entryway. And the low-income student is, you know, about as third as likely to go to college as the privileged kid. What we see as a key roadblock is that there is a good, effective measure throughout the US for finding the low-income student who's got great test scores. Colleges pay the College Board for a list of names or the ACT, and then they have bidding wars over those students. But there isn't a good system in this country for finding the low-income student who has midtier numbers but has a lot of strengths or has the personal strengths that commonly get measured for the middle-class student.

CONAN: So B's and C's.

Mr. SCHRAMM: That's right. And so a couple years ago, you know, in the same way that a couple decades ago somebody figured out that people would pay a lot--there was a market need to send a box across the country overnight, about 10 years ago we looked at that system--I was running a teen center in the basement of a low-income housing development here in Washington, DC. And I had, you know, two kids who had great test scores, and it seemed that every college in the country was after them, calling them up. Some even called me to get to the students. And then I had another 40 students who were college-capable in that same teen center but who had numbers that were in the middle. But you couldn't tell which of those students were really most promising unless you looked at the whole kid, the way that the middle-class student shows their whole self when they send in the essay and recommendations and piano recital tape, etc. And so that's when it clicked in as we've got to figure out a way so that those 40 students who are college-ready could make it into college, most importantly, because for every one of those kids who's first in their family to go to college, they're ending poverty in their family line forever.

CONAN: In their family line forever.

Mr. SCHRAMM: They're going to make a million more dollars over the course of their life, and their children are almost going to be twice as likely to enroll in college themselves. So it's a real tipping point. So as we look in the landscape what we see is 200,000 low-income students who graduate from high school every year with B's and C's, who are college-ready, who don't go. And that's who we see as the real tipping point. And if those 200,000 young people enrolled in college, you know, aside from changing the trajectory of their family forever, there'd be \$60 billion more in federal tax revenue each year. So it's a big issue, high-leverage issue. And we started looking at this.

But let me contrast for you a charity view of this problem vs. a social enterprise view. So I'll give you an example of a young man who did our program a couple years ago. A guy named Jahi(ph) grew up in a tough section of Philadelphia. He got involved with some of the kind of distractions that are pretty common in a low-income community growing up, but at the end of high school he turned it around, and he started really doing quite well in school, and he knocked the socks off of some organizations that he was involved in. But given kind of what he'd done in the earlier grades, his cumulative GPA was, like, mid-twos, actually a 2.2.

CONAN: Not so great.

Mr. SCHRAMM: No. And his SAT score was like 850. So he looked like, you know, a gazillion other low-income kids with the, you know, 2.9 GPA and the 8 to 900 SAT. So if you looked at him from a charity perspective, you'd say, 'Neat kid. I need to help him.' And if you figured out a way to help him and others like him, you'd go and get some donors so that you could help a few young people. But the problem with that and I think the limitations of the charity model is that you never get beyond working with a few kids because for every new kid you add to work with, you kind of have to add a new donor to cover it.

CONAN: Your costs continually go up.

Mr. SCHRAMM: Yup. And there isn't enough philanthropy out there to support your serving all the students in a

community over the long haul. So now switch perspectives; look at it from the College Summit perspective and I'd say a social enterprise perspective. You don't have here a kid who needs my help. You say, 'That's undervalued talent that the market needs and that the market will pay for.'

And what we've been working on for about 10 years--and I think you're going to talk--you're referring to a book that's coming out that refers to some work of **Ashoka**. But they've been pushing this--the John S. & James L. Knight Foundation, Irvine Foundation and the Samberg Family Foundation have all been working with us on: How do you actually just try and correct the market so that the players--high schools, colleges, employers and then, most importantly, Jahi and his family--how they could each capture his value in a way that serves the self-interest of each of those players? Because that's the only way that anything is truly going to sustain and grow is if it's out of self-interest.

CONAN: We're talking about social entrepreneurs. Our phone number is (800) 989-8255. That's (800) 989-TALK. And our e-mail address is [totn@npr.org](mailto:totn@npr.org). We're speaking with J.B. Schramm. And let's get a caller on the line. This is Elizabeth, who's with us from Portland, Oregon.

Former Representative ELIZABETH FURSE (1st Congressional District, Oregon): Yes, hello.

CONAN: Hello.

Ms. FURSE: I wanted to talk about a great social entrepreneur who was director of our housing here in Oregon and then went on to develop. His name is Ray Ramsey. He's an African-American lawyer. He went on to develop this wonderful, really, great organization called One Economy. And its goal is to close the digital divide. And they have developed a Web site, which the people who belong to One Economy get their computer, usually, by and large, single mothers. And they have totally changed people's lives because what these people are able to do through the Beehive is have access to all the things that middle-class people have: how to apply for a loan, how to apply for college, the things that, really, poor people have somehow been out of that economy.

And Ray Ramsey and his organization are doing that, and they are about to launch the Beehive and One Economy in an Indian reservation. It will be done by wireless communication; because the Indian reservation is so large, they couldn't hook it up by cable. But I just wanted to tell you about him and his work because what your person, who's talking to you now, is telling is, yeah, it's not charity. It is: How do we get the best out of people, and how do we get people to access the best?

CONAN: Elizabeth, normally you have a couple of other names associated when you're introduced on the radio.

Ms. FURSE: Oh, yes?

CONAN: Congresswoman, perhaps?

Ms. FURSE: Congresswoman, yes.

CONAN: Elizabeth Furse.

Ms. FURSE: Yes, I am a former congresswoman who represented the 1st Congressional District of Oregon for six years, and now I run an organization called the Institute for Tribal Government, working closely with tribal elected officials around the country.

CONAN: Well, thank you very much for joining us today and for letting us know about this wonderful opportunity that's being developed there.

Ms. FURSE: One Economy, yes.

CONAN: One Economy.

Ms. FURSE: Thank you.

Mr. SCHRAMM: Thank you.

CONAN: And bye-bye.

Ms. FURSE: Bye.

CONAN: Well, as we continue with J.B. Schramm, that's perhaps another example. But I did want to get back to one part of this, and profit, obviously, is not your primary motive. You're not in this to get rich, but you need to make some money here to keep your operation going, don't you?

Mr. SCHRAMM: Right. We are--I actually think part of what's interesting about talking about social entrepreneurship is that it gets away from, I think, what can be a confusing distinction between for-profit and non-profit. I don't really think that that is the kind of concept that's going to lead us to solving social problems. I think when we're looking at how you get kids into college, we're trying to say, 'How can you get the different players in the markets'--so high schools, what's their need? Well, their need--they're increasingly getting measured on how well their students enroll in college. Some school boards, superintendents, are making that part of their report card and even making it a part of their No Child Left Behind report. And so they've got this need. They are willing to put resources behind it so that they can improve the college enrollment rate.

So when we engage with a school district, it's on the line of, 'What's the online tools, curriculum, teacher training, etc., you need--you, the school district--in order to boost your enrollment rate and serve the mission of the school district?' And they're willing to pay for that. So we have school districts--Chicago public schools, Kanawha County, West Virginia, public schools--that are working with us in that capacity. Colleges--their problem is they already know all the top-testing, low-income kids. They already pay the College Board and ACT for those lists. So if they're going to diversify, if they're going to expand their pool, they're going to have to go into the midtier. And looking at numbers alone isn't going to help them figure out which are the most promising midtier kids.

CONAN: So you help them cherry-pick it, as it were, the midtier.

Mr. SCHRAMM: That's right. And so when they're involved in our system, for example, they pay for the training and the housing of the students and the teachers from the public school system. So what we're trying to do is create, basically, a barter economy, so that each of the players--the colleges, the high schools and the employers--throughout a community can each shoulder a bit of the burden but get more value out of it than what they're contributing. And what that allows--and here's the magic point...

CONAN: Quickly.

Mr. SCHRAMM: ...when you get the fee-for-service revenue from schools and colleges to cover the marginal costs or the cost of adding another student, that's when it's truly possible to scale and to actually serve all the students in a community and solve a problem.

CONAN: J.B. Schramm, thank you so much. And, again, happy New Year.

Mr. SCHRAMM: Thank you.

CONAN: We'll be back with David Bornstein after a short break. It's TALK OF THE NATION from NPR News.

(Soundbite of music)

CONAN: This is TALK OF THE NATION. I'm Neal Conan in Washington. We're discussing a new group of people called social entrepreneurs, whose goals are nothing less than to change the world. If you've had some dealings with this new field or have questions about social entrepreneurs, our phone number is (800) 989-8255, (800) 989-TALK. Or send us e-mail, [totn@npr.org](mailto:totn@npr.org).

And joining us now is David Bornstein. He's a journalist and the author of the new book "How to Change the World: Social Entrepreneurs and the Power of New Ideas." He's with us from Brattleboro, Vermont.

Happy New Year. Welcome to TALK OF THE NATION.

Mr. DAVID BORNSTEIN (Author, "How to Change the World"): Thanks, Neal. Happy New Year.

CONAN: We were discussing with J.B. Schramm his idea of what a social entrepreneur is, and in a way your book cites a couple of examples from history: Florence Nightingale; even somebody whose name might not leap to mind, but Henry Ford, who not only created a new model for creating and selling automobiles but at the same time created a working class able to buy them. There have always been groups and individuals who have transformed society. What's new now?

Mr. BORNSTEIN: Well, it's a good question. Historically the people who we would think of today as social entrepreneurs in the past we would think of as humanitarians, even saints, someone like St. Francis. And it was very rare. There were very few people who really had the freedom to do this kind of thing. Up until, say, the last, you know, 10 or 15 or 20 years, it was really a very rare thing. People had callings. Today it's becoming much more of a mainstream profession or a vocation, where you have many, many people around the world, millions of people literally, who are starting organizations to address social problems in new ways.

And everybody knows about the dot-coms, but, you know, that's really a small story in comparison to the dot-orgs, which is far outnumbered in terms of the number of people who are actually going out there and saying, 'I see an opportunity, I see a need that needs to be addressed, and I'm going to start an organization or I'm going to join an organization and work to address this problem in a new way.'

And, really, the driving forces behind this is, really, the fact that a sector that once didn't have open entry has suddenly become open; that is in the authoritarian countries like in the former Communist countries or apartheid South Africa or the Latin America former dictatorships, if you tried to be a social entrepreneur, you were banned or disappeared or questioned by the secret police. On top of that you have much more surplus wealth in the economy than you did 50 years ago. Technology makes it possible for people to be exposed to global media, to organize in very powerful ways. People are more educated.

So there's a whole supply side around the world of people who have the capacity to do this kind of work. At the same time there's an increase in demand for the talents of people like J.B. Schramm. You have structural problems. Why aren't--you know, if you don't go to college in the United States, you're almost by definition marginalized.

CONAN: Sure.

Mr. BORNSTEIN: Why isn't that system being addressed? How do we change the system? Similarly with environmental issues, with AIDS, with a whole series of structural economic issues, you see social entrepreneurs popping up everywhere addressing problems, you know, across a whole spectrum of needs. And what's happening is, in many cases, they're helping the governments to sharpen and refine their approaches because they're--the role of entrepreneurs throughout history has always been to create newer and better ways of providing value, either economic or social.

CONAN: Well...

Mr. BORNSTEIN: And now the need is very great, and many people are self-selecting for this type of entrepreneurship.

CONAN: A lot of us can see problems. A lot of us want to do something about it. What makes the transformation of somebody into a social entrepreneur--what makes that person effective?

Mr. BORNSTEIN: Well, you know, the way J.B. described his early experience with College Summit is a perfect

example. He began in this teen center helping a couple of kids get into college. Four kids basically came to him initially and said, 'Can you help us?' He saw that there was a problem. He knew that these 40 kids were college capable. I mean, he knew them well. He knew the roles and the responsibilities they had in their households, and yet he recognized the problem. So he basically said, 'I'm going to help four kids get into college.' It was very successful; all four got in. He said, 'This is crazy,' so he did it again with four more kids. And then the following year it was 30, and then it was 90 and then it was 200. And over the course of time the natural sort of entrepreneurial instinct that, you know, J.B. Schramm has always had kicked in and said, 'We have to create an organization to do this more systematically, and we have to figure out how to do it around the country and figure out how to get the colleges on board and the public school systems on board.'

CONAN: And make the systems self-sustaining.

Mr. BORNSTEIN: And make it self-sustaining. And, you know, sustainability is a big question. There are many organizations around the country that are very sustainable; they have tons of money. But they're not actually causing system change. In some cases, you know, if they were a business, they probably should have gone out of business many years ago because they haven't adapted.

The real social entrepreneurs like J.B., they really are seeking systemic impact. J.B. is doing systems adjustment on both ends of the college pipeline. He's getting the colleges to see these kids differently, and he's getting the kids themselves to provide data that allows the colleges to see them for who they truly are, not just a number on a piece of paper. To actually make that bridge, you have to create an organization, you have to get people to--you have to do what entrepreneurs do everywhere: They mobilize resources, they build organizations and teams, they market their ideas, they persuade people to support them, and they keep at it for decades and decades until what was once a radical idea becomes a new norm, basically.

CONAN: Let's get a caller on the line. This is Richard, and Richard is with us from Cambridge, Massachusetts.

RICHARD (Caller): Hello.

CONAN: Hi.

RICHARD: I'm speaking as one with a bit of experience. Twenty years ago I founded the free software movement, which now has about a million contributors and tens of millions of people making use of our work. I'm pleased to see the work that J.B. Schramm is doing. But one of the presuppositions in what he said seems extremely dangerous, and that is the idea that nothing can be done to solve social problems except by getting everyone who might have any involvement to think of it in self-interest terms. Now why are poor people often not getting into college? Well, one reason is that their high schools and elementary schools are not well funded. And we used to think that maybe we should pressure the government to put more money into those schools.

Another reason is that in the US you mostly have to pay to go to college. Now other advanced countries have different policies. If we assume, as he does, that we can see everything in terms of players and markets, then we're letting the government off the hook for its responsibilities, and I think that's very dangerous. While his work, in itself, is good, we should not spread it together with an idea that discourages other ways of solving problems.

CONAN: David Bornstein?

Mr. BORNSTEIN: Well, J.B. is not letting the government off the hook. He's working very closely with governmental institutions, public school systems, to help them be more effective. He's helping the government to basically meet the challenge of getting kids into college.

RICHARD: We're speaking at two different levels. I mean, I won't disagree with any of what you said about his work, but I'm pointing out a deeper level of the meaning of what he said.

Mr. BORNSTEIN: But there's many social entrepreneurs across society. J.B.'s job is not to fix all the educational woes in the United States.

RICHARD: I agree.

Mr. BORNSTEIN: There are other social entrepreneurs who are working very effectively to address some of the more systemic issues in the public schooling systems, some of the funding issues, some of the issues of: How do we motivate students? How do we motivate teachers? What we're talking about is there's a whole sector of social entrepreneurs coming up who are addressing problems from many angles. It's like an ecosystem. And, you know, to expect that--J.B. is the specialist. He's become, you know, an expert in college access. I mean, you know, he's going to build the organization, and he is building the organization, that's doing college access better than anybody, and that's his role and, you know, the way he does it. There's other people who will focus on other aspects of the educational challenge.

RICHARD: I just hope that...

Mr. BORNSTEIN: It's not letting government off the hook. This isn't about, you know, privatizing services or saying that the government should have more money or less money and this and this. This is really about developing newer and better models to approach problems, to solve problems and then figuring out how to take those models at the scale of the size of the problem.

RICHARD: I think I'm talking about a more indirect effect of his philosophy. His work, of course, doesn't directly affect funding for any school. But if we listen to some of his underlying ideas, that definitely could affect the debates in the future about how much we should fund schools. That's what I'm trying to point out. I'm not criticizing his work at all. I'm calling our attention to the presuppositions of the way he talks about it, and that can have a tremendous effect, or may not, but it's partly a matter of whether we accept those presuppositions or whether we reject them. We can reject them and still encourage the specific activity that he's doing that's helpful.

CONAN: Richard, thanks very much.

RICHARD: You're welcome.

CONAN: And happy New Year to you.

Let's get another caller on the line, and this is Lorraine(ph) in Cambridge, Massachusetts.

LORRAINE (Caller): Oh, yes. Well, thank you for talking about what I hope can include microlending. My question, because I wanted something specific, was: Why doesn't Muhammad Yunus get the Nobel Prize for economics? I think he's one of the most creative people ever, not just in theory, but he put into practice this wonderful system of microlending, which I gather is expensive to manage, but people have figured out ways to cut the cost down. And fanning out from that, sort of like a ripple from a stone in the lake, is what he has done with telephones in Indian villages, which I think is just fabulous. And that's not only an economics side; I'd like to detail it if I have a chance. But, also, it puts people in touch with members of their families gone to the big city, so it's a way to knit a country together.

And I hope I can say that what I understand he has done is some part of--the Grameen Bank does this--they'll rent a telephone to usually a woman, I think, in the village. She rents it out to other villagers. She pays back some of that amount to the bank, whatever the source is, for her rental payment of the phone. And then when she's paid back the whole cost of the phone, she keeps the phone, and whatever else she makes in rent she keeps for herself. And...

CONAN: David Bornstein, your first book was about the Grameen Bank.

Mr. BORNSTEIN: Yes, I'm delighted by your question. Muhammad Yunus, I agree with you, he should win--I would be delighted to see him win the Nobel Peace Prize or a prize in economics, either one.

CONAN: I was going to suggest maybe the prize in economics, yeah.

Mr. BORNSTEIN: But...

LORRAINE: Sure. I was thinking of the Peace Prize, too. I'm glad you mentioned that.

Mr. BORNSTEIN: The Grameen Bank is a great example of the power of social entrepreneurship. I mean, you know, when I started writing my book, started researching my book about the Grameen Bank in the early '90s, there were only about half a dozen microcredit programs around the world, and they were reaching less than a million people. Today there are more than 2,500, according to the Microcredit Summit, and they're reaching in excess of 42 million families. And most of that growth has occurred just in the last three or four years--42 million very poor families, that is. If you include all families who aren't among the very poorest, it's close to 70 million families.

Now what happened? How did that process come about? Well, you have an initial demonstration of an idea; the Grameen Bank saying, 'We'll do this in a few villages. We'll do this'--you know, spreading out around Bangladesh. And then you have this entrepreneur who basically demonstrates the model, goes out, raises considerable resources. In the case of Yunus, he was able to mobilize, you know, hundreds, you know, of millions of dollars from many different organizations in the form of loans and loan guarantees and grants and so forth--able to scale up his idea at the scale where nobody could doubt that this is really working. And then you have many other people, and then systems were developed to encourage and to train other people around the world so that they could go ahead and, you know, do this idea as well, start their own microcredit organization. So, in a sense, an industry has grown up.

CONAN: Has this had a measurable impact on poverty in Bangladesh?

Mr. BORNSTEIN: Oh, absolutely. I mean, you now have in Bangladesh--I don't know the most up-to-date figures, but it's, I believe, in excess of five million families who are microcredit borrowers. It may even be far more than that actually. And these families--not only, you know, have they crossed, by various measurements and studies basic, poverty line levels, but you now have situations like far more women voting in Bangladesh than you did in the past, which is a sign of political empowerment as well. And much of that can be credited to the microcredit movement.

CONAN: Lorraine, thanks very much for the call.

LORRAINE: Thanks for the program.

CONAN: Bye-bye.

LORRAINE: Bye.

CONAN: You're listening to TALK OF THE NATION from NPR News.

As we mentioned with the Grameen Bank in Bangladesh, a lot of the growth in social entrepreneurship is happening in countries outside of the United States. David Green is the founder of Project Impact, and he joins us from his home in Berkeley, California.

Happy New Year. Thanks for joining us today.

Mr. DAVID GREEN (Founder, Project Impact): Thank you, Neal.

CONAN: What does your company do, and where are you doing it?

Mr. GREEN: We're a non-profit organization based in Berkeley, and we do two things. We help make medical technology affordable through technology transfer to create manufacturing, to make medical products affordable to the economies of developing countries.

CONAN: Give me a for instance.

Mr. GREEN: Well, in '92, we set up to make intraocular lenses, which are surgically implanted in the eye to address the problem of blindness with cataract. Cataract is the main cause of blindness in the world. And so from 1992 we grew to be, I think, the second or third largest interocular lens company in the world, and that's called AuroLab. It's a non-profit business trust based in south India, and that's associated with Aravind Eye Hospital. And now AuroLab sells close to 700,000 lenses to 86 countries.

CONAN: And what's the difference in price if you went to buy one in a pharmacy here in the States?

Mr. GREEN: Well, if you were to get one here in the United States today, it would cost anywhere from a hundred to \$200. And today we sell our lenses for \$4 apiece; that's our average price.

CONAN: How do you make up that enormous difference in cost?

Mr. GREEN: Well, part of what we do is demystifying the cost structure and finding good people to work with to do this technology transfer. And then we have our manufacturing base in south India, and so our, you know, costs of production are lower. But the real...

CONAN: Certainly labor costs are lower, yeah.

Mr. GREEN: Yeah. The real difference is that our goal is to maximize product availability to people who ordinarily wouldn't be able to afford it rather than maximizing return on investment to shareholders. So with that basic difference, we sculpt our cost structure in the way that we do things to ensure affordability to our intended beneficiaries, which in this case are lower-economic people in developing countries.

CONAN: And do you, in the process of doing this, still make a profit?

Mr. GREEN: Yes, AuroLab is profitable. We also set up AuroLab to produce suture. Before we started, a box of suture cost something like \$240, and this is a wound-closure product to close the wound in eye surgery. And now we're making it for \$30. And then we looked at hearing impairment, and right now we're making a hearing aid that normally cost \$1,500; we make it for about 50. And then we have a multitiered pricing system, where we sell it anywhere from zero to \$200 in the various markets that we're moving into.

CONAN: And how many people do you employ?

Mr. GREEN: AuroLab has a staff of about 350, and Project Impact has a small staff of about 12, most of whom are focused on launching this affordable hearing aid project.

CONAN: Hmm. David Bornstein, before we let you go, I just wanted to say this is another of the examples you cite as social entrepreneurs.

Mr. BORNSTEIN: Yes. David was also an **Ashoka** fellow, and many of the people that I mentioned in my book were recognized by the **Ashoka** Innovators for the Public.

One of the points that I'd like to make also is we've been focusing on the social entrepreneurs. They are very much the leading edge. This is an emerging sector, where for people who are not entrepreneurs there are many opportunities. There's, you know, thousands and thousands of new organizations that are being founded by the J.B. Schramms and the David Greens and Ray Ramseys of the world. And people who are seeking, you know, careers or second careers or even alternatives to retirement, this is a great opportunity for people because you can really come in there with a set of skills, whether it's computers or any profession or welding or whatever it is...

CONAN: And leverage it. David Bornstein, thank you so much for being with us. His new book is "How to Change the World: Social Entrepreneurs and the Power of New Ideas."

David Green, we appreciate your time today, too. We wish you both a happy New Year.

We'll wrap up this discussion after a break. It's TALK OF THE NATION, NPR News.

(Announcements)

CONAN: This is TALK OF THE NATION. I'm Neal Conan in Washington.

Next Tuesday be sure to join us as NPR News presents the Public Radio debate. The Democratic candidates for president of the United States will gather with us in Des Moines, Iowa. We'll be talking with them for two hours. That's next Tuesday. And, of course, they'll be answering some of the e-mail questions that you were kind enough to send along to them.

So, in a moment, we're going to be switching focus and talking about some of the new words that entered our vocabularies in 2003. If you have any favorites or unfavorites, give us a phone call. Our number is (800) 989-8255; that's (800) 989-TALK. Or you can e-mail us, [totn@npr.org](mailto:totn@npr.org), especially if you have any thoughts about what might be the hot new word of 2004.

But, first, let's wrap up our discussion of social entrepreneurs. Business schools at Harvard, Stanford, Columbia now offer courses in social entrepreneurship. And another sign that the idea is catching on: awards. Cheryl Dahle is contributing writer for Fast Company magazine, a business magazine that focuses on innovation and new ideas. She helped organize Fast Company's first Social Capitalist Awards. The winners are featured in this month's issue. Cheryl Dahle joins us from her home in San Francisco, California.

Happy New Year to you. Welcome to TALK OF THE NATION.

Ms. CHERYL DAHLE (Contributing Writer, Fast Company Magazine): Hello, Neal. Happy New Year to you.

CONAN: Now you call this social capitalism. What does it take to qualify to be a social capitalist?

Ms. DAHLE: Well, we had five different categories that we evaluated our organizations along. We had 117 nominations, and we were looking at entrepreneurship, innovation, social impact, growth and sustainability. And what we were looking for were organizations that demonstrated measurable results in all those areas.

CONAN: And tell us about some of the winners.

Ms. DAHLE: OK. Well, I think one of the things we were looking for that kind of transcends any of the individual categories was we were looking for organizations that had found very specific leverage points for social change, so they were doing a lot with a little. We kind of bantered this about as the David and Goliath principle; they were organizations that understood the value of a well-aimed stone.

And one of those organizations that was in the winning group would be Jumpstart. It's an organization based on the East Coast that works with underprivileged toddlers and helps them learn how to read. And one of the things that this organization did was decided, 'There's a couple of different programs here we can put together that would leverage this in a great way.' They take college students who are on work study and use those work study opportunities to couple them as tutors with kids three to five and who are in Head Start programs or trying to learn to read in preschool.

And what they found is that they can significantly amplify the results for these kids, and at the same time their costs are incredibly low because they're working with a federally funded program. I think their incremental cost-per-tutor hour is about \$3.50. So they're looking at a structure and a business model where they can scale pretty rapidly.

CONAN: Now that sounds like it's a non-profit.

Ms. DAHLE: It is a non-profit.

CONAN: So are the winners all non-profits?

Ms. DAHLE: The winners happen to all be non-profits. However, we did have a couple for-profits that were nominated, and we did put them through the process as well.

CONAN: Now...

Ms. DAHLE: Just none of the them turned up in the top 20.

CONAN: As you look at this field, though, do you see it growing?

Ms. DAHLE: We definitely see it growing. Fast Company's been covering this area of social entrepreneurship since our inception in '95. And over the last 15 years we've seen an increase in the number of organizations out there and definitely a huge interest among, you know, those coming up in the business world, MBAs and folks who are kind of headed out into the world of business, in getting involved in this particular field.

CONAN: And, again, I mean, going back to it, though, a lot of those people are going to have to put aside their idea of making a lot of money, if that was part of their idea, in return for social value.

Ms. DAHLE: Yes. But I think what we're looking at, also, is a dovetailing trend of people who are looking at work as part of what they draw their self-identity from and that they're interested in having work that makes a difference and that is meaningful to them. And so I think that the payoff for them, or sort of the investment that they're getting back, from doing something that they find worthwhile is offsetting what could be a bigger return in a paycheck in a different sort of job.

CONAN: Well, thanks very much.

Ms. DAHLE: Thank you.

CONAN: Cheryl Dahle, a contributing writer for Fast Company magazine. It features the Social Capitalist Awards in this month's issue. She joined us from San Francisco, California.