

## **THE BLENDED VALUE GLOSSARY**

### **Authors:**

Elizabeth Bibb, Michelle Fishberg, Jacob Harold, and Erin Layburn

**Faculty Advisor:** Dr. Dale Miller, Stanford Graduate School of Business

**Advisors:** Jed Emerson and Sheila Bonini

With Special Thanks to Joshua Spitzer

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# For-profit/Non-profit organization spectrum

	Financial focus		Social impact focus			
	Traditional for-profit corporation	Org that practices CSR	Social Business	Social Enterprise		Traditional Non-profit
				With earned income	W/out earned income	
Goal hierarchy	1) Shareholder value, defined as profit	1) Profit 2) Positive social impact*	1) Profit 2) Positive social impact*	1) Positive social impact 2) Profit	1) Positive social impact 2) Innovation	1) Positive social impact
Synonyms	• Socially responsible business		• Social venture	• Non-profit enterprise		
Sub-segments	• Corporate philanthropy			• Social-purpose enterprise		
Earned income?	• Yes	• Yes	• Yes	• Yes	• No	• Sometimes
Corporate Structure	• For-profit	• For-profit	• For-profit	• Non-profit	• Non-profit	• Non-profit
Size and ownership	• Small or large, public or private	• Usually larger and/or publicly traded	• Usually smaller and/or privately held	• Small or large	• Small or large	• Small or large

\*Social impact includes environmental impact

## The Blended Value Glossary

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*An effort to create a common language in the blended value universe*

“ The beginning of wisdom is calling things by their right name. ”  
A Chinese Proverb

### The opening salvo

Words matter. They can inspire and they can wound. They are the foundation on which meaning is communicated and understanding is forged.

We begin with the simple belief that the words we use are of great consequence. That language has power. That striving for a common lexicon among the participants of the blended value universe—those mountaineers climbing the peaks of social enterprise, corporate citizenship, socially responsible investing, strategic philanthropy, and sustainable development—is not only a worthwhile endeavor, but also a necessary one.

The profound revolution in thought and practice that is unfolding around the globe is occurring beneath the shadow of a genuine Tower of Babel. One person’s social enterprise is another person’s social-purpose business venture; one person’s investment is another person’s grant. Who do we identify as a social entrepreneur? How do we know a sustainable practice when we see one? Is the revolution best characterized as an interdisciplinary movement or the birth of a new sector? And if it is a sector, what should it be called?

Consider that last question again. If we can’t even name the sector in which we work and the movement of which we are a part, how can we expect others to understand us, to join us, and to invest in us?

The absence of a common language impedes our work, divides one group from another, and marginalizes the efforts of the whole from effectively communicating its passion and practice to the mainstream. The result is not only inefficiency and illegitimacy for ourselves, but injury to the people and issues that we serve.

### The BVG

The blended value glossary (the BVG) is intended to advance a single, comprehensive nomenclature so that our common language can be a source of power instead of perplexity. The BVG will strive for convergence, streamlining the lexicon so that single concepts are connected to single terms (and vice versa). The BVG will strive for precision, clarifying subtle distinctions among concepts and terms. But when convergence and precision are not possible, the BVG will simply present how a term is used within a variety of contexts.

The result, we hope, will be not only a singular, definitive resource, but also an opportunity for collaboration among the “silos” within the blended value universe and for the participants to strive for a more collective identity.

The BVG will necessarily build on the work of countless others—organizations that have defined terms in a particular field, such as socially responsible investing, as well as the handful of organizations that have already undertaken efforts to define emerging terms.

Locked in the cross hairs of the BVG are the 50 or so words that most obstruct our cooperation, encumber our communications, and result in the more inane conversations among us.

Ultimately, the BVG will only be as useful as it is used. Without widespread endorsement and adoption, the BVG, we fear, will be just another footnote or, worse, just another source of confusion.

However, we have reason for optimism. Many other fields have wrestled with these linguistic challenges and come out on top. For example, the legal profession has Black’s Law Dictionary, and the psychiatric community has the Diagnostic and Statistical Manual of Mental Disorders. Each of these examples also reminds us that the work of creating a common language is an ongoing process—the aforementioned books are in their seventh and fourth editions, respectively. Moreover, the Internet can be leveraged to accelerate the traditional process of aggregating terminology and disseminating common usage.

But what gives us the most hope is that the peaks we climb are part of a common range. At the core, our work is the same—creating organizations and markets capable of maximizing a more complete meaning of value, one that encompasses our economic, social, and environmental impact.

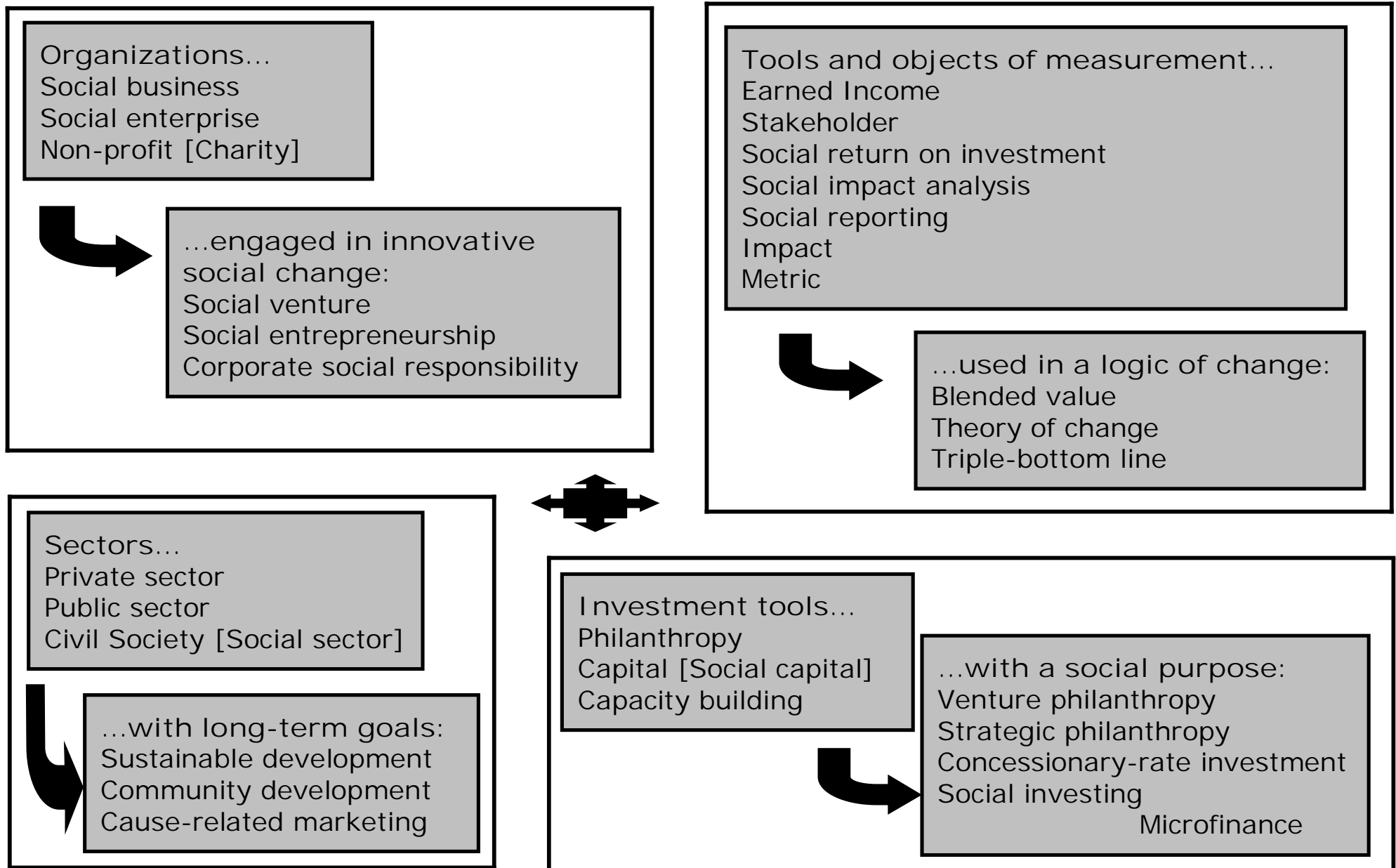
Happy linguistic hunting!

Prepared by Tim O’Hara  
for the Blended Value Glossary Team  
on February 20, 2004

*Mountain metaphor, Babel imagery, and many choice terms and phrases were “borrowed” mercilessly from Jed Emerson’s Blended Value Map. The phrases “words matter” and “language has power” were oft-repeated by David Bradley, founder of the Advisory Board Company, where I was employed for many years. This manifesto also benefited directly from conversations with Elizabeth Bibb and notes from Maria Wu. And, of course, it reflects the communal thoughts of all those souls who trekked to Colorado in early February 2004 and the beer purchased by Jed Emerson himself.*



# Blended value glossary – word cluster map



### Blended Value Glossary List of Terms

Proposed Glossary Term	Related Word(s)				
<b>Blended Value</b>	Value				
<b>Capacity Building</b>					
<b>Capital</b>	Assets	Community Wealth			
<b>Cause-Related Marketing</b>	Cause branding	Social Marketing	Marketing for Mission		
<b>Charity</b>					
<b>Civil Society</b>					
<b>Community Development</b>	Community Development Corporation	Community Development Finance Institutions (CDFIs)	Asset Based Development		
<b>Corporate Social Responsibility</b>	Corporate Citizenship				
<b>Earned Income</b>	Self-Sufficiency				
<b>Non-profit Organization</b>	Entrepreneurial Non-profit	Non-Profit Entrepreneur			
<b>Impact</b>	Outcome				
<b>Metric</b>	Social Audit	Social Reporting	Indicator		
<b>Micro-Finance</b>	Microcredit				
<b>Nonprofit Organization</b>	Civil Society Organization	Non-Governmental Organization	Not-for-Profit	Non-Profit Sector	Not-for-Profit Company
<b>Philanthropy</b>	Corporate Philanthropy	Engaged Philanthropy	Engaged Grantmaking	Corporate Giving Program	
<b>Private Sector</b>					
<b>Public Sector</b>	Government sector				
<b>Social Business</b>	Socially Responsible Business	Mission Driven Product or Service Businesses	Social-Purpose Business Venture	Social Firm	Affirmative Business
<b>Social Capital</b>					
<b>Social Enterprise</b>	Community Trust	Social Purpose Enterprise			
<b>Social Entrepreneurship</b>	Civic Entrepreneur	Entrepreneur			
<b>Social Impact Analysis</b>					
<b>Social Investing</b>	Ethical Investments	Socially Responsible Investment	Mission Related Investing	Investment	Corporate Social Investing
<b>Social Reporting</b>	Social Impact Analysis				
<b>Social Return On Investment (SROI)</b>	Social Return				
<b>Social Sector</b>	Third Sector	Independent Sector	Non-Profit Sector	Voluntary Sector	Civil Society
<b>Social Venture</b>	Social Venture Capital	Social Purpose Business Venture	Venture Philanthropy		
<b>Stakeholder</b>					
<b>Strategic Philanthropy</b>					
<b>Sustainability</b>	Corporate Sustainability				
<b>Sustainable Development</b>	Sustainability				
<b>Theory of change</b>	Logic Model				
<b>Triple Bottom Line</b>	Double Bottom Line				
<b>Venture Philanthropy</b>					

<b>BLENDED VALUE</b>		
<b>Preferred definition</b>	The idea that the value created by an organization is fundamentally indivisible. Thus, one cannot speak of simply "economic value", "social value" or "environmental value"--these quantities are simply parts of one essential value.	
<b>Commentary</b>	As a relatively new phrase, the definition of the term "blended value" has not yet had an opportunity to become controversial. It builds upon and transcends the concepts of a double-bottom line (both social and financial return) and a triple bottom-line (social, environmental, and financial return). While the definition is relatively non-controversial, there is some significant controversy surrounding the concept itself.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Value is what gets created when investors invest and organizations act to pursue their mission. Traditionally, we have thought of value as being either economic (and created by for-profit companies) or social (and created by nonprofit or non-governmental organizations). What the Blended Value Proposition states is that all organizations, whether for-profit or not, create value that consists of economic, social and environmental value components—and that investors (whether market-rate, charitable or some mix of the two) simultaneously generate all three forms of value through providing capital to organizations. The outcome of all this activity is value creation and that value is itself non-divisible and, therefore, a blend of these three elements.	Blended Value Map
<b>Related Words</b>	<b>VALUE</b>	
	The power of a good or service to command other goods in exchange for the present worth to typical users and investors of future benefits arising out of ownership of a property; the amount of money deemed to be the equivalent in worth of the subject property. The four essential elements of value are utility, scarcity, demand and transferability. Cost does not equal value, nor does equity. There are various types of value, such as market value, tax assessed value, book value, insurance value, use value, par value, rental value and replacement value. By far, the type of value used for the largest number of real estate transactions is market value.	ProU.net [ <a href="http://www.prou.net/utilities/glossary/glossary12.html">www.prou.net/utilities/glossary/glossary12.html</a> ]

	The determination of how much something is worth. If the item being valued is publicly traded, value can be observed in the market. For most real assets, it is not the case and we need to apply valuation techniques to impute a value.	Decision Options, LLC [ <a href="http://www.decisionoptions.com/html/glossary.htm">http://www.decisionoptions.com/html/glossary.htm</a> ]
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<b>CAPACITY BUILDING</b>		
<b>Preferred definition</b>	The development of an organization's core skills and capabilities, such as leadership, management, finance and fundraising, programs and evaluation, in order to build the organization's effectiveness and sustainability.	Non-profit Good Practice Guide
<b>Commentary</b>	The phrase "capacity-building" is sometimes used by non-profits seeking to fix problems in their operations. Some argue, however, that it is only properly used when referring to efforts to improve upon existing good programs. For further explanation, see: <a href="http://www.tgci.com/magazine/03summer/cap1.asp">http://www.tgci.com/magazine/03summer/cap1.asp</a> .	
<b><u>No.</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
1	(1) The development of an organization's core skills and capabilities, such as leadership, management, finance and fundraising, programs and evaluation, in order to build the organization's effectiveness and sustainability. (2) The process of assisting an individual or group to identify and address issues and gain the insights, knowledge and experience needed to solve problems and implement change.	Non-profit Good Practice Guide
2	The use of organisational development models and training to develop a community's skills. The aim is to increase the ability and willingness of community members to initiate projects, programmes, and businesses, to organise these ventures, and to keep them running. This body of talent, skill and experience is known as a community organisational capacity. It is at once the key product, and driving force behind the community's economic development.	The Wheel

<b>CAPITAL</b>		
<b>Preferred definition</b>	Assets available for use in the production of goods and services or other assets.	
<b>Commentary</b>	Relatively clear definition. The term capital is often further broken down into more specific terms (e.g. human capital, political capital, natural capital). See also social capital.	
<b><u>No.</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
1	Assets available for use in the production of further assets.	Princeton University WordNet [ <a href="http://www.cogsci.princeton.edu/cgi-bin/webwn">www.cogsci.princeton.edu/cgi-bin/webwn</a> ]
2	Physical capital is the stock of products set aside to support future production and consumption. In the national income and product accounts, private capital consists of business inventories, producers' durable equipment, and residential and nonresidential structures. Financial capital is funds raised by governments, individuals, or businesses by incurring liabilities such as bonds, mortgages, or stock certificates. Human capital is the education, training, work experience, and other attributes that enhance the ability of the labor force to produce goods and services. Bank capital is the sum advanced and put at risk by the owners of a bank; it represents the first "cushion" in the event of loss, thereby decreasing the willingness of the owners to take risks in lending.	US House of Representatives Budget Committee (Democrats) [ <a href="http://www.house.gov/budget_democrats/glossary.htm">www.house.gov/budget_democrats/glossary.htm</a> ]
3	The money or wealth needed to produce goods and services. Related to human capital and physical capital.	World Bank [ <a href="http://www.worldbank.org/html/schools/glossary.htm">www.worldbank.org/html/schools/glossary.htm</a> ]
4	Broadly, all the money and other property of a corporation or other enterprise used in transacting its business.	Global Development Resource Center [ <a href="http://www.gdrc.org">www.gdrc.org</a> ]
<b>Related Words</b>		
	<b>ASSETS</b>	
	Cash, stocks, bonds, real estate or other holdings of a foundation. Generally, assets are invested and the income is used to make grants.	Council on Foundations
	Cash, stocks, bonds, real estate or other holdings of a foundation. Generally, assets are invested and the income is used to make grants.	Louisiana Association of Non-profits

<b>CAUSE-RELATED MARKETING</b>		
<b>Preferred definition</b>	Used when a company allies itself with a specific cause, and contributes money, time, or expertise to an organisation or event in return for the right to make publicity or commercial value from that involvement. The corporate benefit is generally less overt than in a sponsorship arrangement.	From "The Wheel"
<b>Commentary</b>	Relatively non-controversial definition. However, as with all attempts by for-profit companies to benefit from social causes, use of the word is often met with extreme scrutiny. That scrutiny often focuses around intention: what is the actual intention of the company in engaging in cause-related marketing?	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Used when a company allies itself with a specific cause, and contributes money, time, or expertise to an organisation or event for that cause in return for the right to make publicity or commercial value from that involvement. The corporate benefit is generally less overt than in a sponsorship arrangement.	The Wheel
2	Marketing in which a for-profit organization, by using the name of a nonprofit organization, promotes its product and in return contributes money, time or expertise to the organization.	Nonprofit Good Practice Guide
3	A business relationship in which a for-profit and a nonprofit form a partnership that results in greater sales for the for-profit and a financial return for the nonprofit.	Institute for Social Entrepreneurs
4	For corporations, an effective cause-related marketing (CRM) campaign leverages the social purpose of a nonprofit organization to advance sales or branding objectives - and thus drive revenues.	Community Wealth Ventures, Inc
<b>Related Words</b>		
	<b>SOCIAL MARKETING</b>	
	The application of marketing principles to a social issue in order to affect attitudinal and behavioral change amongst the public or a specific population segment.	Grant Stream [ <a href="http://www.grantstream.com/glossary.htm">http://www.grantstream.com/glossary.htm</a> ]

	<b>CAUSE BRANDING</b>	
	Today, cause programs have become a standard and widely accepted business practice with many of the world's largest companies running comprehensive campaigns supported by substantial advertising and communications resources. Today's pioneers realize that it is no longer about being just loosely associated with a cause or partnering with a nonprofit organization - it is now about integrating the concern and commitment for a cause into a core component of an organization's business strategy.	Cone, Inc. [ <a href="http://www.psaresearch.com/causebranding.html">http://www.psaresearch.com/causebranding.html</a> ]
	<b>MARKETING FOR MISSION</b>	
	An innovative approach to management that supports change-making at all levels – within a department, throughout an organization, or across society. It blends the mission focus of reformers with the success of corporate marketers, and it challenges organizations to change from being "telling" cultures to being "asking" cultures.	Rebecca Leet and Associates [ <a href="http://www.leetassociates.com/pub_mfm.htm">http://www.leetassociates.com/pub_mfm.htm</a> ]

<b>CHARITY</b>		
<b>Preferred definition</b>	A tax-exempt, non-profit organization dedicated to providing social services to a community. Generally, "charity" refers to religious, educational, health, and poverty-relief organizations and not to political organizations.	
<b>Commentary</b>	"Charity" is a unique case of definitional agreement and shows the non-controversial nature of this definition. All of the definitions from the main glossaries used are essentially identical. The only exception that should be noted is that tax-exempt political organizations are generally not considered charities.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	In its traditional legal meaning, the word "charity" encompasses religion, education, assistance to the government, promotion of health, relief of poverty or distress and other purposes that benefit the community. Nonprofit organizations that are organized and operated to further one of these purposes generally will be recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and will be eligible to receive tax-deductible charitable gifts.	Council on Foundations

2	In its traditional legal meaning, the word "charity" encompasses religion, education, assistance to the government, promotion of health, relief of poverty or distress and other purposes that benefit the community. In most cases charities are exempt from federal income tax, and eligible to receive tax-deductible charitable gifts under Section 501(c)(3) of the Internal Revenue Code.	Non-profit Good Practice Guide
3	In its traditional legal meaning, the word "charity" encompasses religion, education, and assistance to the government, promotion of health, relief of poverty or distress and other purposes that benefit the community. Nonprofit organizations that are organized and operated to further one of these purposes generally will be recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and will be eligible to receive tax-deductible gifts.	Louisiana Association of Non-profits

<b>CIVIL SOCIETY</b>		
<b>Preferred definition</b>	Civil society is, in essence, the organized members of a community who engage in private effort for public good. In general, it includes the set of organizations and informal networks outside of government and business.	
<b>Commentary</b>	Civil society has a common meaning (above) but the focus of that meaning depends on the speaker and the context. In the debates as to the nature of globalization, it is used to refer generally to a political counterweight to the for-profit sector. In international development, it refers to those organizations in a developing country which provide external accountability to a government. Also, many commonly use civil society as a synonym to "social sector" or "non-profit sector".	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	n. voluntary associations, organizations, movements and networks that live and work in the social space outside the state and the private sector.	International Institute for Sustainable Development
2	Relationships not controlled by the state or, more commonly, all forms of association outside of state and market. Currently also denotes work of nongovernmental organizations. Used by critics and movement activists to refer to source of resistance to and the sphere of social life to be protected against globalization.	Emory University [ <a href="http://www.emory.edu/SOC/globalization/glossary.html">www.emory.edu/SOC/globalization/glossary.html</a> ]



3	The key actor in the cultural sphere of society. Civil society can be viewed as engaging in private effort for the public good. In its modern form, civil society means the active and organized formations and associations in the cultural sphere, as found among NGOs, POs, academia, and Church groups among others.	Center for Alternative Development Initiatives [www.cadi.ph]
4	Non-profit, organised groups, clubs and associations in society that operate independently from government and the state. Examples of groups in civil society include universities, non-governmental organisations, environmental movements, indigenous peoples' associations, organised local communities and trade unions. Civil society can be organised at the local, national and international level.	Forest Monitor [http://www.forestsmonitor.org/reports/highstakes/glossary.htm ]

<b>COMMUNITY DEVELOPMENT</b>		
<b>Preferred definition</b>	The process of building communities on a local level with an emphasis on building the economy, forging and strengthening social ties, and developing the nonprofit sector.	Non-profit Good Practice Guide
<b>Commentary</b>	The definition of "community development" is fairly straightforward although there is often controversy surrounding the field itself.	
<b><u>No.</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
1	The process of building communities on a local level with an emphasis on building the economy, forging and strengthening social ties, and developing the nonprofit sector.	Non-profit Good Practice Guide
2	The development of communal activity to improve quality of life in a particular geographical area. According to Social Enterprise London: "Work with people on a neighbourhood or community basis that promotes self-help, mutual support and collective action."	Sustainable Funding
<b>Related Words</b>		
	<b>COMMUNITY DEVELOPMENT CORPORATION</b>	
	A corporation established to develop economic programs and provide financial support for a community.	Investorwords.com

	<b>COMMUNITY DEVELOPMENT FINANCE INSTITUTIONS (CDFIs)</b>	
	CDFIs are a new financial tool for social, economic and physical renewal in under-invested communities. They lend and invest in deprived areas and underserved markets that cannot access mainstream finance. They are sustainable, independent organisations that provide financial services with two aims: to generate social and financial returns. Some CDFIs offer loans while other provide equity investment – a few offer both. They serve different types of customers including individuals, micro, small and social businesses.	CDEFA: Community Finance Development Association
	<b>ASSET BASED DEVELOPMENT</b>	
	A development strategy that recognises the possession of tangible assets – land, buildings or a dedicated income – is key to achieving the goals of self-sufficiency, independence and sustainability which underpin community based regeneration organisations.	Development Trusts Association

	<b>CORPORATE SOCIAL RESPONSIBILITY</b>	
<b>Preferred definition</b>	The idea that corporations--large or small--have a responsibility to the local community, broader society, and/or the environment. Corporate social responsibility may involve a) integration of social value into business operations, or b) it may refer to philanthropic activities not directly related to business operations. In either case, the superordinate objective of the corporation is still to create shareholder value, in the form of financial returns.	
<b>Commentary</b>	There are multiple tensions around the use of the phrase "corporate social responsibility" (CSR). First, some argue that integration into core operations is necessary to constitute true CSR -- and thus that corporate philanthropy is insufficient. Second, there are questions of whether CSR can even apply to a large, publicly-traded company given the legal fiduciary responsibilities of managers to shareholders; however, many argue that size and legal status should not factor in to use of "CSR". In practice, most organizations that practice CSR are large and publicly-traded, in contrast with social businesses, which tend to be smaller and privately owned.	

No.	Definition	Source
1	Terms used under this banner include corporate citizenship, corporate accountability, business ethics and sustainability. CSR describes companies and business managers/leaders who consciously integrate strategies that seek to maximize the creation of environmental and social value within their core business model, operations and supply chains. CSR may also be manifest in terms of how a company manages its investments and philanthropy. CSR corporations use market rate capital and seek to deliver market rate risk adjusted returns.	Blended Value Map
2	Corporate Social Responsibility is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation.	MHC International (Michael Hopkins: A Planetary Bargain: Corporate Social Responsibility Comes of Age (Macmillan, UK, 1998)
3	Corporate Social Responsibility highlights the voluntary role of business in contributing to a better society and a cleaner environment beyond its financial and capital commitments.	Small Business Europe [www.smallbusinesseurope.org/Glossary/]
4	The idea that business has an obligation to help society with its problems by offering resources.	Consumer Behavior [http://www.consumerbehavior.net/glossary.htm]
5	Corporate Social Responsibility is a wide-ranging agenda that involves businesses looking at how to improve their social, environmental and local economic impact, their influence on society, social cohesion and human rights, and fair trade. CSR is an issue both for large multinationals and for small, locally based businesses.	Social Enterprise Network Scotland [http://www.senscot.net/LD/Articles/Glossary.asp]
6	Corporate Social Responsibility (CSR) is the decision-making and implementation process that guides all company activities in the protection and promotion of international human rights, labour and environmental standards and compliance with legal requirements within its operations and in its relations to the societies and communities where it operates. CSR involves a commitment to contribute to the economic, environmental and social sustainability of communities through the on-going engagement of stakeholders, the active participation of communities impacted by company activities and the public reporting of company policies and performance in the economic, environmental and social arenas.	Bench-Marks [www.benchmarks.org/glossary.html]

<b>Related Words</b>		
	<b>CORPORATE CITIZENSHIP</b>	
	Corporate citizenship is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. The aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation.	MHC International (Source: Michael Hopkins: A Planetary Bargain and the Bottom Line: Corporate Citizenship, Financial Performance and Staying Power (ILO, Enterprise Forum, Geneva, Nov., 1999))

	<b>EARNED INCOME</b>	
<b>Preferred definition</b>	Money received by an organization in return for the sale of a product or rendered service. This does not include corporation or foundation grants, government grants or subsidies, contributions from individuals, or in-kind donation of products or services.	
<b>Commentary</b>	Both non-profit and for-profit organizations can have earned income. However, non-profit earned income strategies are typically designed to cover a social program's cost rather than to be distributed as a profit.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Money received by an organization in return for the sale of a product or rendered service.	Non-Profit Good Practice Guide
2	A quid pro quo arrangement in which there is a direct exchange of product or service for monetary value. "Earned" income for a nonprofit does not include such things as corporation or foundation grants, government grants or subsidies, contributions from individuals, or in-kind donation of products or services. Most earned income strategies mounted by a nonprofit are designed to cover more of a social program's cost, not necessarily to make a profit. The one exception is a social purpose business venture.	Institute for Social Enterprise

<b>Related Words</b>		
	<b>SELF-SUFFICIENCY</b>	
	The ability to fund the future of a nonprofit through earned income alone rather than having to depend in whole or in part on charitable contributions or public sector subsidies.	Institute for Social Enterprise

<b>NON-PROFIT ENTERPRISE</b>		
<b>Preferred definition</b>	A revenue-generating social purpose venture operating with reference to the financial bottom line.	
<b>Commentary</b>	Nonprofit enterprises are variously known as social purpose businesses, community-based businesses, community wealth enterprises, etc. (New Social Entrepreneurs, Roberts Foundation)	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	A revenue-generating venture founded to create jobs or training opportunities for very low-income individuals, while simultaneously operating with reference to the financial bottom line. Nonprofit enterprises are variously known as social purpose businesses, community-based businesses, community wealth enterprises, etc. (New Social Entrepreneurs, Roberts Foundation) Beyond enterprise specifically created for economic development there are also income-producing enterprises developed by nonprofits primarily for their income streams. Some examples of these include: museum stores, eco-tourism, and co-branding of products.	Tom Reis w/Kellog Fdn, credited to Greg Dees
2	Nonprofit enterprise exists along a spectrum of activity starting with traditional fee-for-service charges and extending into full-scale commercial activity. According to the Urban Institute's Nonprofit Sector Project, approximately 15 percent of nonprofits actually engage in commerce, but more than 70 percent now earn some money through fees and service charges.	Edward Skloot

<b>Related Words</b>		
	<b>ENTREPRENEURIAL NON-PROFIT</b>	
	A nonprofit that seeks to match its core competencies with marketplace opportunities in order to simultaneously generate more earned income and expand its social impact.	Institute for Social Enterprise

	<b>NON-PROFIT ENTREPRENEUR</b>	
	An individual who pays increasing attention to market forces without losing sight of the organization's underlying mission.	Institute for Social Enterprise

<b>IMPACT</b>		
<b>Preferred definition</b>	The effect of one thing or action on another person, activity, area, or group of people. Many social sector organizations use impact to refer to changes that occur in program participants, the environment, or a community as a result of an program, intervention or initiative.	
<b>Commentary</b>	While impact's strict definition does not specify a time period for these changes, social sector definitions typically specify that impact refers to long-term and lasting changes. There has long been debate about the measurability of impact. [For further discussion, see discussion at <a href="http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf">http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf</a> .]	
<b><u>No.</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
1	The extent to which the program has made a long-term change in the program participants.	Non-Profit Good Practice Guide
2	The effect of one thing or action on another person, activity, or area. For example, environmental impact refers to the good or bad effect an activity has on the surrounding environment.	US Army Corp of Engineers

3	The overall and long term effect of an intervention. Results of a programme or project that are assessed with reference to the development objectives or long-term goals of that programme or project; changes in a situation, whether planned or unplanned, positive or negative, that a programme or project helps to bring about. Impact is the longer term or ultimate result attributable to a development intervention, in contrast with output and outcome that reflect more immediate results from the intervention. The concept of impact is close to "development effectiveness". Examples: higher standard of living, increased food security, increased earnings from exports, increased savings owing to a decrease in imports.	United Nations Development Programme
<b>Related Words</b>		
	<b>OUTCOME</b>	
	The positive or negative changes that occur in conditions, people and policies as a result of an organization's or program's inputs, activities and outputs. Outcomes measure the effects on immediate customers, individuals and groups who are affected both directly and indirectly, and the wider community. See also: Immediate Outcome	Non-Profit Good Practice Guide
	The benefits and overall difference that the project makes; what happened as a result of a project or undertaking (e.g. changes in attitude).	The Wheel

	<b>METRIC</b>	
<b>Preferred definition</b>	Any standardized measurement used for comparison purposes, often used to indicate progress or achievement.	
<b>Commentary</b>	Metrics are the indicators used to measure the progress of a program, and thus often drive management action. Because funders of non-profits and social enterprises often base future funding on achievement of certain metrics, they can have considerable influence on management's actions. Metrics are increasingly being used to evaluate the success of social programs which is often difficult to measure. See Social Impact Analysis.	

<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	A metric is something that can be measured. Metrics are used to better define what is meant by more abstract or general statements. For example, the program outcomes are the metrics for the program objectives since the outcomes better define what is intended by the objective and are measurable.	Mechanical and Aerospace Engineering Department of Arizona State University
2	Any standardized measurement used for comparison purposes.	Fastclick.com
3	A measure used to indicate progress or achievement.	Northrop Gruman
4	A measurement, taken over a period of time, that communicates vital information about a process or activity. A metric should drive appropriate leadership or management action. Physically, a metric package consists of an operational definition, measurement over time, and presentation.	Service Quality Network
<b>Related Words</b>		
	<b>SOCIAL AUDIT</b>	
	Social and ethical accounting and auditing are all methods of measuring and reporting on an organization's social and ethical performance. Ideally, an organization that takes on an audit makes itself accountable to its stakeholders and commits itself to following the audit's recommendations.	BVM, from Social Enterprise London Glossary
	The process of reviewing and verifying the social accounts at the end of each social audit cycle. The term 'social audit' is also used generically for the concept and for the whole.	The Wheel
	<b>SOCIAL REPORTING</b>	
	Non-financial data covering staff issues, community economic development concerns, stakeholder involvement and related "social" activities and impacts of an organization (whether for-profit or nonprofit). Social Reporting may include voluntarism and environmental performance metrics.	BVM, from MHC International
	<b>INDICATOR</b>	
	A measure, for which data are available, which helps quantify the achievement of the desired result for community-wide populations	NGA Center for Best Practices



<b>MICRO-FINANCE</b>		
<b>Preferred definition</b>	Microfinance is a general term that applies to financial services aimed at micro-enterprises, sole traders and individuals, usually in under-invested communities. Microfinancial services include small loans, savings facilities with either very low or no minimum deposit, insurance, money transfer or bill payment.	From the Sustainable Funding Project Jargonbuster
<b>Commentary</b>	Microfinance is often confused with micro-credit (see definition below).	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	The practice of awarding small loans, usually to owner operated microenterprises. Microfinance can also involve savings facilities requiring no (or very low) minimum deposits; and other financial services such as insurance, money transfer or bill payment programs, designed for people on low incomes, and structured to build/protect assets	BVM, from Social Enterprise London Glossary
2	Small loans; savings facilities with no (or a very low) minimum deposit; other financial services like insurance, money transfer or bill payment designed for people with low incomes.	The Wheel
3	Microfinance is a general term that applies to financial services aimed at micro-enterprises, sole traders and individuals, usually in under-invested communities. Microfinancial services include small loans, savings facilities with either very low or no minimum deposit, insurance, money transfer or bill payment.	Sustainable Funding Project Jargonbuster
<b>Related Words</b>		
	<b>MICRO-CREDIT</b>	
	Micro-credit is a sub-segment of microfinance that focuses on giving very small loans to very poor people for the purpose of allowing them to earn additional income by investing in the establishment or expansion of "micro-business." Micro-credit is sometimes used as a synonym for micro-finance, which is a broader term.	Grameen Foundation USA

<b>NON-PROFIT ORGANIZATION</b>		
<b>Preferred definition</b>	A term describing an organization whose income is not used for the benefit or private gain of shareholders, directors, or any other persons with an interest in the organization. Non-profits often exist for educational or charitable purposes.	

<b>Commentary</b>	While the definition of non-profit is broad, some groups use the term "non-profit organization" to refer to direct service and other direct execution organizations and do not think of organizations such as foundations, charitable trusts, associations and societies as non-profits. In this context, "civil society organization" is a broader term that refers to any kind of legal entity that is neither a government nor a for-profit organization and is used to encompass groups like societies, associations, foundations, and charitable trusts. Non-governmental organization (NGO) is a United Nations definition that encompasses the subset of nonprofits that promote human well being. "Not-for-profit organization" is synonymous to "non-profit organization".	
<b><u>No.</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
1	An incorporated organization which exists for educational or charitable purposes, and from which its shareholders or trustees do not benefit financially. Also called not-for-profit organization.	Non-Profit Good Practice Guide
2	A term describing the Internal Revenue Service's designation of an organization whose income is not used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company. A nonprofit organization's income must be used solely to support its operations and stated purpose.	LANO
3	A term describing an organization whose income is not used for the benefit or private gain of shareholders, directors, or any other persons with an interest in the organization. A non-profit organization's income is (usually) used to support its operations.	The Wheel
<b>Related Words</b>		
	<b>CIVIL SOCIETY ORGANIZATION</b>	
	An association, society, foundation, charitable trust, not-for-profit organization, or other legal entity that is not regarded under the particular legal system as part of the governmental sector, nor as subject to a special legal regime, and that is not operated for profit. If any profits are earned, they are not and cannot be distributed as such.	Non-Profit Good Practice Guide

	<b>NON-GOVERNMENTAL ORGANIZATION (NGO)</b>	
	The United Nations' term for a nonprofit organization, which is not fully funded or controlled by government and which is promoting human well being on a not-for-profit basis. When it exists in only one country, it will be considered as a national NGO, and when it exists in a number of countries in the Region it will be considered as a regional NGO. The organization should have a legally established constitution, a clear purpose and visible activities with a governing body, which has the authority to speak for its members. It may or may not be affiliated to an international organization.	Non-Profit Good Practice Guide
	A term used to capture the various types of charitable, social, civil society, and other not-for-profit organizations. Used in Ireland in the context of internationally active development organizations.	The Wheel
	<b>NOT-FOR-PROFIT</b>	
	Not-for-profit organization is a synonym for non-profit organization. A Non-profit Organization is an organization governed by a volunteer board of directors, and whose business is not conducted for profit. Organizations of this type are said to belong to the non-profit or third sector. They are neither government (public sector) nor business (private sector).	Non-Profit Good Practice Guide
	<b>NON-PROFIT SECTOR</b>	
	Those organizations that are private, non-governmental and seek to serve the public good without the motivation of profit.	Non-Profit Good Practice Guide
	<b>NOT-FOR-PROFIT COMPANY</b>	
	A company (or co-operative) which has in its constitution a clause preventing the distribution of profits to members and stipulating that profits should be used for social benefit or for charitable purposes.	The Wheel

<b>PHILANTHROPY</b>		
<b>Preferred definition</b>	Philanthropy generally refers to the concept of voluntary giving by an individual or group to promote the common good and often describes grants of money given by foundations to nonprofit organizations. Philanthropic giving supports a variety of activities, including research, health, education, arts and culture, and the alleviation of poverty.	
<b>Commentary</b>	While philanthropy can refer to any effort to relieve human misery or suffering, improve the quality of life, encourage aid or assistance, or foster preservation of values, it most frequently refers to monetary or in-kind contributions. While philanthropy itself is a basic term, it has been modified to describe various models of philanthropic actions, including engaged philanthropy, altruistic philanthropy and strategic philanthropy.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	1) Voluntary action for the public good; 2) Love of humankind, usually expressed by an effort to enhance the well-being of humanity through personal acts of practical kindness or by financial support of a cause or causes; 3) Any effort to relieve human misery or suffering, improve the quality of life, encourage aid or assistance, or foster preservation of values through gifts, service, or other voluntary activity.	Non-Profit Good Practice Guide
2	Philanthropy is defined in different ways. The origin of the word philanthropy is Greek and means love for mankind. Today, philanthropy includes the concept of voluntary giving by an individual or group to promote the common good. Philanthropy also commonly refers to grants of money given by foundations to nonprofit organizations. Philanthropy addresses the contribution of an individual or group to other organizations that in turn work for the causes of poverty or social problems-improving the quality of life for all citizens. Philanthropic giving supports a variety of activities, including research, health, education, arts and culture, as well as alleviating poverty.	Council on Foundations, LAND
3	Philanthropy is defined in different ways. The origin of the word philanthropy is Greek, meaning love for mankind. Today, it includes the concept of voluntary giving by an individual or group to promote the common good. Philanthropy also refers to grants given by foundations to not-for-profit organisations. The practical application of charitable aims.	The Wheel

4	Philanthropy is a cash or product gift to a charitable cause with no expectation of receiving services, products, or specific recognition in return. Companies are increasingly making their contributions decisions with business goals in mind. Some people use the terms philanthropy, altruistic philanthropy or traditional philanthropy to differentiate the contributions made with no specific business purpose from strategic philanthropy, focused philanthropy, or corporate social investing, which is designed to achieve a business purpose. While a grantmaking partnership may not be as dynamic or deep as other multi-faceted partnerships, the corporate grantmaker and the nonprofit grantee each deliver something of value to each other.	Independent Sector
<b>Related Words</b>		
	<b>CORPORATE PHILANTHROPY</b>	
	Support through gifts, equipment, supplies, or other contributions by business firms to charitable institutions, sometimes through organized programs that may include corporate foundations.	Non-Profit Good Practice Guide
	<b>ENGAGED PHILANTHROPY</b>	
	As donors become increasingly unwilling to simply write checks to charity without measurable outcomes, they are seeking new models of philanthropic interactions. They want to be involved in the social value creation, and they're looking for charitable engagements that satisfy this desire, including direct analysis (or access to analysis) of the non-profits they support, volunteering and/or consulting with these non-profits, and more in-depth self-education of the social service/business sector and the context surrounding non-profits.	Social Venture Partners
	<b>ENGAGED GRANTMAKING</b>	
	See <a href="http://216.119.98.185/FAQ/VenturePhilanthropy.asp">http://216.119.98.185/FAQ/VenturePhilanthropy.asp</a> for commentary	

<b>CORPORATE GIVING PROGRAM</b>		
	A corporate giving (direct giving) program is a grantmaking program established and administered within a profit-making company. Gifts or grants go directly to charitable organizations from the corporation. Corporate foundations/giving programs do not have a separate endowment; their expense is planned as part of the company's annual budgeting process and usually is funded with pre-tax income. The Foundation Center has identified more than 700 corporate foundations/giving programs in the United States; however, it is believed that several thousand are in operation.	Council on Foundations
	A corporate giving (direct giving) program is a grantmaking program established and administered within a profit-making company. Gifts or grants go directly to charitable organizations from the corporation. Corporate foundations/giving programs do not have a separate endowment; their expense is planned as part of the company's annual budgeting process and usually is funded with pre-tax income.	LANO
	In-house contribution programmes run by corporations. Through these programmes, companies make grants to charities, which may or may not directly benefit a company's employees. Giving programmes often are administered through a company's office of community. Also referred to as Corporate Community Involvement or Investment.	The Wheel

<b>PRIVATE SECTOR</b>		
<b>Preferred definition</b>	The part of the economy concerned with organizations and businesses that provide services and products based on market demands for a fee, with the intention of producing a profit for owners and shareholders. Also known as the for-profit sector.	
<b>Commentary</b>	"Private sector" is occasionally used to refer to all non-government parts of the economy, including the non-profit sector.	

<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Also known as the for-profit sector. Organizations and businesses who provide services and products based on market demands for a fee with the intention of producing a profit for owners and shareholders.	Non-Profit Good Practice Guide
2	The part of the economy consisting of business, companies and professionals who trade products and services for income and profit.	Department of Provincial and Local Government (South Africa)

<b>PUBLIC SECTOR</b>		
<b>Preferred definition</b>	The part of the economy concerned with providing basic government services. Includes the national government, local governments, government-owned or controlled corporations and government monetary institutions.	
<b>Commentary</b>	"Public sector" is occasionally used to refer to all non-commercial parts of the economy, including the non-profit sector, but this usage is not correct.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	The part of the economy concerned with providing basic government services.	Non-Profit Good Practice Guide
2	The national government, local governments, government-owned or controlled corporations and government monetary institutions.	National Statistical Coordination Board of the Phillipines
3	A classification drawn from sectors and subsectors of the SNA classification consisting of general government and the public subsectors of nonfinancial and financial corporations. The principle of classification is that of government ownership and/or control rather than function (as in the primary classification of SNA). An important subdivision within this sector for fiscal analysis purposes is the "nonfinancial public sector" comprising general government and nonfinancial public enterprises.	International Monetary Fund
4	Local, state, and federal government agencies and services, such as schools and libraries.	Glencoe online
5	Everything that is publicly owned and controlled, including government (national, provincial and local), state-owned companies, public schools etc.	Department of Provincial and Local Government (South Africa)

<b>SOCIAL BUSINESS</b>		
<b>Preferred definition</b>	A social enterprise which seeks to balance the emphasis between its social and business interests. Unlike social enterprise, it does not necessarily allow the social mission to primarily drive operations; however, managers will conduct business in such a way as to not conflict with the organization's social standards.	
<b>Commentary</b>	This term is often used synonymously with Social Enterprise; however, there is disagreement as to whether or not these terms are interchangeable. As well, there also exists the belief among some that Social Business is a subset of Social Enterprise. This belief appears to be pretty prevalent in the existing definitions and is reflected in the preferred definition; it also helps draw out a distinction from Social Enterprise. Finally, in practice, most social businesses are smaller and privately owned, in contrast with organizations that practice CSR, which tend to be large and publicly-traded.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	A social enterprise which tends to emphasize its business aspect and plays down any distinction from private business; often established without a democratic constitution to involve the beneficiaries.	The Wheel
2	Social Enterprise London defines a social business as the trading arm of a charity. Commonly, however, the term is used as a generic and in the same way as Social Enterprise.	Sustainable Funding Project
3	Term sometimes used by social enterprises where there is a small core of members who act in a similar way to trustees. These social businesses often focus on providing an income or employment opportunity for disadvantaged groups, or providing a service to the community.	Social Enterprise London
<b>Related Words</b>		
<b>SOCIALLY RESPONSIBLE BUSINESS</b>		
	The practice of integrating ethical behavior and proactive positive concern and action for the public good by private sector entities whose main purpose is the creation of enterprise and profit.	Tom Reis



	<b>SOCIAL PURPOSE BUSINESS VENTURE</b>	
	An earned income strategy designed to directly address a specific social problem and simultaneously make a profit.	The Institute for Social Entrepreneurs
	<b>MISSION DRIVEN PRODUCT OR SERVICE</b>	
	Social purpose business ventures that generate revenue from the actual delivery of products or services to clients, although payment may come from a third party such as a government agency or entitlement program or a private insurance company; examples include assistive devices for people who are physically disabled or personal services for elderly people to help them remain in their homes.	The Institute for Social Entrepreneurs
	<b>SOCIAL FIRM</b>	
	A Social Firm is a business created for the employment of people with a disability or other disadvantage in the labor market. It is a business which uses its market-oriented production of goods and services to pursue its social mission. A significant number of its employees will be people with a disability or other disadvantage in the labor market. Every worker is paid a market rate wage or salaries appropriate to the work whatever his/her productive capacity. Work opportunities are equal between disadvantaged and non-disadvantaged employees. All employees have the same employment rights and obligations.	Social Enterprise London
	<b>AFFIRMATIVE BUSINESS</b>	
	A social purpose business venture created specifically to provide permanent jobs, competitive wages, career tracks and ownership opportunities for people who are disadvantaged, whether it be mentally, physically, economically or educationally; employees have included people who are developmentally disabled, chronically mentally ill, recovering substance abusers, former convicts, visually impaired, physically challenged, members of inner-city minority groups, and others.	The Institute for Social Entrepreneurs

	<b>SOCIAL CAPITAL</b>	
<b>Preferred definition</b>	The value added by social structures (e.g. networks, norms, trust) that facilitate collective activities and cooperation, which in turn allow a community or organization to function more effectively.	

<b>Commentary</b>	Social capital is seen as closely related to/stemming from human capital (the training and knowledge of individuals). As individuals gain human capital they can then create the structures and organizations needed for a well-functioning community.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	The attitude, spirit and willingness of people to engage in collective, civic activities. Over time, social capital builds what may be termed as social infrastructure. Topic areas: Advocacy, Communications and Marketing, Governance, Management and Leadership, Volunteer Management	Nonprofit Good Practice Guide
2	A term popularized in recent years to describe those resources and in particular trust, reciprocity and the sharing of values or norms of behavior, which allow a community or society to function more effectively. Features of social organizations such as networks and norms and social trust that facilitate co-ordination and co-operation for mutual benefit.	The Wheel
3	Brownie Points: the value of social networks, of neighbourly goodwill. A leading thinker is Professor Robert Putnam of Harvard University. Putnam's thesis is that in the latter half of the twentieth century we have seen an erosion of community togetherness and social connectedness. His argument then runs that there are pragmatic economic reasons for lamenting this. Putnam's favourite example of Social Capital is the money he saves on a burglar alarm by dint of the neighbourhood watch scheme operative in his street. Strip out sentiment, runs the reasoning and, economically, there is good reason to regret the erosion of community: community has a value just as do natural resources, intellectual property, or manufacturing equipment - hence natural capital, intellectual capital, manufactured capital, social capital. An engaging way of exploring further is the Better Together initiative: <a href="http://www.bettertogether.org">www.bettertogether.org</a> .	Sustainable Funding Project
4	Social capital begins with human capital: the development of self-sufficient individuals who are mutually supportive and have the generosity and skills to create the structures, organizations, and resources needed for healthy and equitable communities. Ultimately, the ability of social structures and systems to help people achieve their goals for the common good is perceived as "social capital."	Tom Reis

5	By analogy with notions of physical capital and human capital--tools and training that enhance individual productivity--"social capital" refers to features of social organization, such as networks, norms, and trust that facilitate co-ordination and co-operation for mutual benefit. Social capital enhances the benefits of investment in physical and human capital.	Social Enterprise London
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<b>SOCIAL ENTERPRISE</b>		
<b>Preferred definition</b>	A Social Enterprise is a non-profit organization that uses business solutions to accomplish social goals. In a Social Enterprise, the social objective is the primary driver. Examples include social-purpose enterprises and nonprofit business ventures.	
<b>Commentary</b>	The main tension in existing definitions regards whether Social Enterprises are solely non-profit or both non-profit and for-profit. The distinctions between Social Enterprise, Social Business, Social Ventures and Corporate Social Responsibility are increasingly blurred, as the notion of Social Enterprise has broadened over time. These distinctions are contingent upon the determination of the degree to which social values drive the mission of each (ie: the priority placed upon social values vs. profit generation). See Social Spectrum to learn more about the distinctions between terms.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Social Enterprise describes an ever-increasing set of organizations, both nonprofit and for-profit. And it is no surprise that efforts to define the term are various and even conflicting. The reader is invited to see the following discussion of “social entrepreneur” for more on this issue. A useful definition provided by the British Government defines social enterprise as “...businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. Social enterprises tackle a wide range of social and environmental issues and operate in all parts of the economy. By using business solutions to achieve public good, the Government believes that social enterprises have a distinct and valuable role to play in helping create a strong, sustainable and socially inclusive economy.” We have used the term “social enterprise” to refer to double bottom-line businesses, social purpose enterprises, nonprofit business ventures and mission-based for-profit businesses. Social Enterprises typically pursue	Blended Value Map

	<p>blended value returns that may embrace the subjugation of a certain amount of financial return or take on added risk in pursuit of social and/or environmental value creation. In the for-profit sector, CSR is used in the context of large, multi-national or national corporations seeking to deliver market rate returns, and Social Enterprise is most often used to describe small to medium enterprises, usually with less than \$50 million in annual revenues, that are founded in order to intentionally pursue the generation of social and/or environmental value as well as financial returns (whereas CSR firms are more frequently “traditional” businesses seeking to expand their capacity to respond to demands they function with regard to social and environmental performance). While many of the operational issues are the same for both, we have subdivided social enterprises into for-profit and nonprofit because some resources (ie. capital investments) are only available to one group or the other.</p>	
2	<p>A nonprofit venture that combines the passion of a social mission with the discipline, innovation and determination commonly associated with for-profit businesses. This includes, but is not limited to, new revenue generating ventures, for-profit subsidiaries and other alternatives to traditional funding sources. Topic areas: Foundations and Grantmaking, Fundraising and Financial Sustainability, Management and Leadership</p>	Nonprofit Good Practice Guide
3	<p>The generic term for all trading enterprises which have a social purpose, are non-profit-distributing and have a democratic, accountable and common-ownership structure.</p>	The Wheel
4	<p>Trading for a social purpose. The term can refer either to a type of activity; or to an organisation practising that activity: social enterprise can be a verb or a noun. More in Social Enterprise London's excellent 'Understanding Social Enterprise': <a href="http://www.sel.org.uk">www.sel.org.uk</a> A wide range of organisations fit the definition of Social Enterprise, including Co-ops, community business, trading arms of charities and a variety of other businesses that use their trading activity to meet social goals such as job creation, the delivery of local services and providing opportunities for those in disadvantaged communities of geography and interest. The European Information Centre for the Social Economy, usefully describes social enterprise as being "based on the values of economic activities with social goals." Or, to take from the title of Andrea Westall's eminently readable book on the subject, Social Enterprises are <i>Market Led-Value Driven</i>.</p>	Sustainable Funding Project

5	Social enterprise is rooted in a double bottom line - pursuing financial and social returns on investment. Social enterprise has many definitions, including: 1) Revenue- or job-creating projects undertaken by nonprofit organizations, or nonprofits in association with for-profits, so that the nonprofits become financially sustainable rather than dependent on grants; and 2) Commercial businesses that have a social purpose and mission.	Social Venture Partners
6	Any earned-income business or strategy undertaken by a nonprofit to generate revenue in support of its charitable mission. "Earned income" consists of payments received in direct exchange for a product, service or privilege.	Social Enterprise Alliance
<b>Related Words</b>		
	<b>COMMUNITY ENTERPRISE (ALSO COMMUNITY TRUST)</b>	
	A social enterprise, linked to a locality from which it draws its members and which it seeks to benefit.	The Wheel
	<b>SOCIAL PURPOSE ENTERPRISE</b>	
	A social purpose enterprise is typically a revenue-generating venture founded by a nonprofit to create jobs or training opportunities for very low-income or otherwise disadvantaged individuals, while simultaneously operating with reference to the financial bottom-line. Although less common, a social purpose enterprise can also be founded by a for-profit social enterprise.	Blended Value Map
	Social purpose enterprise as a subset of Community Economic Development that specifically refers to a range of for-profit and not-for-profit ventures combining social development and earned income objectives. Social Purpose Enterprise is not just about organizations doing business, but about organizations doing social and community development work in a new, more practical and holistic way that crosses the entrenched lines between business and the social sector.	Toronto Enterprise Fund
	A social purpose enterprise is a revenue-generating venture founded by a nonprofit to create jobs or training opportunities for disadvantaged individuals, while simultaneously operating with reference to the financial bottom-line.	Community Vocational Enterprises

<b>SOCIAL ENTREPRENEUR(SHIP)</b>		
<b>Preferred definition</b>	The use of innovative, entrepreneurial business skills to address social and environmental problems. This will often involve revenue generation but is not required. A social entrepreneur may or may not be associated with a non-profit organization.	
<b>Commentary</b>	The definition of Social Entrepreneurship is hotly debated. The definitions in use are often as broad as simultaneously pursuing both financial and social returns (e.g. double bottom line) or as narrow as non-profits which used earned income strategies to pursue social objectives. One particular area of debate is whether or not the definition of social entrepreneurship must include revenue generation or if it just applies to the application of innovative/entrepreneurial skills to social problems. Finally, some claim that Social Entrepreneurs are found solely in the non-profit sector but this narrow definition seems to be waning.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Attempts to define both social enterprise and social entrepreneur are difficult. There are those who have argued eloquently for the social entrepreneur as civic innovator, those who define the social entrepreneur as founder of a revenue generating venture, and those who define the term as one who launches a “related” enterprise or venture in order to create surplus revenue that may then be re-directed in support of a nonprofit or charitable purpose. We have disappointed some by not making use of a broader definition of the term in the course of this project, however we were faced with a need to focus our inquiry and so have defined social entrepreneur as an individual who uses earned income strategies to pursue social objectives, simultaneously seeking both a financial and social/environmental return on investment. Said individual may or may not be in the nonprofit sector. Again, it should be noted that this is a more restrictive definition than many use in the field as a whole. A Social Entrepreneur can also be an individual using an innovative application of business skills and practice in pursuit of social impact and environmental value creation—such as is the case of many Ashoka Social Entrepreneurs, for example. While some of our examples fall in this larger category, we have leaned toward a more restricted definition in order to set some boundaries around the map—since not doing so would lead us into the much larger field of innovative nonprofit management and the social/civic sector as a whole,	Blended Value Map

	<p>moving from “blended” to simply social service activities. It is obvious the question of both what constitutes social entrepreneurship and who should be considered a social entrepreneur remains a hotly debated question. Greg Dees has recently published comments arguing that SE does not require revenue generation, while Jerr Boschee and Jim McClurg will soon publish a piece arguing the opposite! While we certainly respect these and others involved in this debate, we have made use of a more limited definition in the course of this initial project, but are more than happy to have that definition and our work framed within a larger field of practice that includes other actors with other definitions. Kim Alter, in her latest paper to be published by the Inter-American Development Bank in late October, presents some excellent frameworks with which to approach the discussion. Greg Dees has also written extensively and very well on the subject. We encourage the reader to seek out their publications for more information.</p>	
2	<p>A social entrepreneur is one who uses entrepreneurial skills commonly associated with private businesses to achieve a social purpose. In the United States of America the term has usually been associated with earning income: in the UK it is invested with wider connotations, referring broadly to the application of innovative and entrepreneurial thinking to meeting social need.</p>	Sustainable Funding Project
3	<p>Plays the role of change agent in the social sector by: a) relentlessly pursuing opportunities to create and sustain social value; b) applying innovative approaches in their work and their funding; c) acting boldly without being constrained by the resources currently in hand, and d) exhibiting a heightened sense of accountability to the various constituencies they serve (communities and investors) for the outcomes they create.</p>	Tom Reis/Kellogg
4	<p>Individuals who engage in social enterprise and draw upon the best thinking in both the business and nonprofit worlds in order to advance their social agenda. Topic areas: Foundations and Grantmaking, Fundraising and Financial Sustainability</p>	Nonprofit Good Practice Guide
5	<p>Any activity which uses entrepreneurial skills and techniques for a social purpose.</p>	The Wheel
6	<p>An individual who establishes and runs an enterprise with social objectives. Some such enterprises would meet the defining characteristics of social enterprise.</p>	The Wheel

7	A social entrepreneur is one who uses entrepreneurial skills commonly associated with private business to achieve a social purpose. In the United States of America the term has usually been associated with earning income: in the UK it is invested with wider connotations, referring broadly to the application of innovative and entrepreneurial thinking to meeting social need.	Sustainable Funding Project
8	Social entrepreneurs are nonprofit leaders who deliver or sustain their services in entrepreneurial ways. This can include starting an enterprise where earned income strategies are employed to sustain a nonprofit mission or uniquely combining proven practice with innovation to effect social change. They are continually engaged in learning and are or hold themselves accountable to the constituencies/communities they serve.	Social Venture Partners
9	The art of simultaneously pursuing both a financial and a social return on investment (the “double bottom line”).	The Institute for Social Entrepreneurs
10	An individual who uses earned income strategies to pursue social objectives, simultaneously seeking both a financial and social return on investment. Said individual may or may not be in the nonprofit sector.	The Institute for Social Entrepreneurs
11	Social entrepreneurs are leaders who play the role of change agents by adopting a mission to create and sustain social value; recognizing and relentlessly pursuing new opportunities to serve that mission; engaging in a process of continuous innovation and learning; acting boldly without being limited by resources currently in hand; and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created. Social entrepreneurship may be demonstrated by nonprofit organizations as well as for-profit businesses with an underlying social purpose.	The Independent Sector (source: "The Meaning of Social Entrepreneurship," Greg Dees)
12	An entrepreneur has imagination to identify new opportunities and determination to bring them to fruition. A social entrepreneur does so for public good rather than private profit.	Social Enterprise London



13	<p>The job of a social entrepreneur is to recognize when a part of society is stuck and to provide new ways to get it unstuck. He or she finds what is not working and solves the problem by changing the system, spreading the solution and persuading entire societies to take new leaps. Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry. Identifying and solving large-scale social problems requires a social entrepreneur because only the entrepreneur has the committed vision and inexhaustible determination to persist until they have transformed an entire system. The scholar comes to rest when he expresses an idea. The professional succeeds when she solves a client's problem. The manager calls it quits when he has enabled his organization to succeed. Social entrepreneurs go beyond the immediate problem to fundamentally change communities, societies, the world.</p>	Ashoka
14	<p>A social entrepreneur is a different kind of social leader who: Identifies and applies practical solutions to social problems by combining innovation, resourcefulness and opportunity; Innovates by finding a new product, a new service, or a new approach to a social problem; Focuses first and foremost on social value creation and in that spirit, is willing to share openly the innovations and insights of the initiative with a view to its wider replication; Doesn't wait to secure the resources before undertaking the catalytic innovation; Is fully accountable to the constituencies s/he serves; Resists being trapped by the constraints of ideology or discipline; Continuously refines and adapts approach in response to feedback; Has a vision, but also a well-thought out roadmap as to how to attain the goal.</p>	Skoll Foundation
15	<p>Social entrepreneurs are not bound by sector norms or traditions and they emerge as leaders in all three sectors. Social entrepreneurs are not confined by barriers that stand in the way of their goals; they develop new models and pioneer new approaches to enable them to overcome the obstacles.</p>	Canadian Centre for Social Entrepreneurship

<b>Related Words</b>		
	<b>ENTREPRENEUR</b>	
	A person who organizes, manages and assumes the risks of a business enterprise. Starting with nothing more than an idea or a prototype, entrepreneurs have the ability to take a business to the point at which it can sustain itself on internally generated cash flow.	The Institute for Social Entrepreneurs
	<b>CIVIC ENTREPRENEUR</b>	
	A leader providing collaborative leadership to bridge the economy and community. They utilize skills including: motivation, networking, teaching, convening, integrating, agreement building, pressing for outcomes, and mentoring others. Topic areas: Advocacy	Nonprofit Good Practice Guide

	<b>SOCIAL IMPACT ANALYSIS</b>	
<b>Preferred definition</b>	Measures of social impact and the distributional effects on different stakeholder groups.	
<b>Commentary</b>	Current definitions have a strong focus on public policy reforms and its impact on social good. However, social impact analysis is starting to be co-opted by the business world as well and refers to businesses attempts to quantify social value in financial terms.	
<b><u>No.</u></b>	<b><u>Definition</u></b>	<b><u>Source</u></b>
1	All efforts or metrics used to assess social impact. A recent paper featured in the May 2004 <i>California Management Review</i> , “Social Return on Investment: Standard Guidelines” by Sara Olsen and Alison Lingane, presents an excellent analysis of both the term and practice. The reader is directed to that paper for a more in depth analysis of SIA.	Blended Value Map

2	SIA assesses the consequences of policy interventions - before, during, and after - on the well-being of different social groups, with a special focus on the vulnerable and the poor. SIA will focus on the distributional impact of policies across social groups, based on such factors as gender, ethnicity, age, land ownership, livelihood, and geographic location.	International Monetary Fund
3	Poverty and social impact analysis (PSIA) implies an analysis of the distributional impact of policy reforms on the well-being or welfare of different stakeholder groups, with particular focus on the poor and vulnerable. PSIA has an important role in the elaboration and implementation of poverty reduction strategies in developing countries. It promotes evidence-based policy choices and fosters debate on policy reform options. PSIA helps to: Analyze the link between policy reforms and their poverty and social impacts; Consider trade-offs among reforms on the basis of their distributional impacts; Enhance the positive impacts of reforms and minimize their adverse impacts ; Design mitigating measures and risk management systems; Assess policy reform risks, and build country ownership and capacity for analysis.	World Bank
4	Define, quantify and monetize intended social impact, in order to demonstrate social value creation in financial terms. By social impact we mean the non-financial benefits that their venture will create for society that would otherwise have not been created. These benefits can be at the level of the employee, the community, the region, the globe, and can be expressed in a large diversity of mission-related objectives and corporate practices. Once these benefits are monetized, they become tangible dollars that are created for society through every dollar of investment in the venture.	Global Social Venture Competition

	<b>SOCIAL INVESTING</b>	
<b>Preferred definition</b>	Social investing broadly defined includes investments that seek financial <i>and</i> social return. This can be broken down further into a) socially responsible investing (financial investments that are aligned with social values) as well as b) investments whose primary purpose is to generate social and/or environmental value (i.e. non-conventional investments of financial and human capital, e.g. through CDFIs in under-invested areas).	

<b>Commentary</b>	Many sectors use Social Investing and Socially Responsible Investing interchangeably. However, there is a trend to segment out Socially Responsible Investing as something that is more focused on financial gains with only limited consideration of social goals (e.g. ethical pension funds). Another note is that the philanthropic community has been consistently using Social Investing and Socially Responsible Investing interchangeably and defines Social Investing as "aligning a foundation's investment policies with its mission."	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Also referred to as ethical investing and socially responsible investing, this is the practice of aligning a foundation's investment policies with its mission. This may include making program-related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values.	Louisiana Association of Nonprofit Organizations
2	Social Investment is often used interchangeably with the term Socially Responsible Investment. However, it is increasingly used by some to mean investment that builds human or social capital. These people would say that SRI uses more conventional commercial financial instruments to make investments (e.g. ethical ISAs and pension funds etc), whereas Social Investment uses non-conventional investment vehicles (like CDFIs) and targets underinvested communities.	Sustainable Funding Project
3	The practice of aligning a foundation's investment policies with its mission. This may include making program related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values. Topic areas: Foundations and Grantmaking, Fundraising and Financial Sustainability	Nonprofit Good Practice Guide
4	Also referred to as ethical investing and socially responsible investing, this is the practice of aligning a foundation's investment policies with its mission. This may include making program related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values.	Council on Foundations

5	Also referred to as ethical investing and socially responsible investing, this is the practice of aligning a foundation's investment policies with its mission. This may include making program-related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values.	LANO
6	(also referred to as Ethical Investing or Socially Responsible Investing):The practice of aligning a foundation's investment policies with its mission. This may include making programme-related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values.	The Wheel
7	The provision of finance where the main reason for the financial transaction (which can be a loan, equity stake or financial service) is for a social purpose (i.e. employment creation, environmental benefit or local regeneration), and where the financial return may be of secondary importance to the social outcomes sought through the investment.	The Wheel
8	Social investment is often used interchangeably with the term Socially Responsible Investment ( SRI ). However, it is increasingly used by some to mean investment that builds human or social capital. These people would say that SRI uses more conventional commercial financial instruments to make investments (for example, ethical ISA s and pension funds etc), whereas Social Investment uses non-conventional investment vehicles (like CDFIs) and targets under-invested communities.	Sustainable Funding Project
9	Not to be confused with Socially Responsible Investments (financial investments with a social component), these are philanthropically motivated investments, including both financial and intellectual capital. These most often are unrecoverable grants and volunteering, although they may be recoverable in the case of concessionary loans to programs or reduced rate services provision.	Social Venture Partners

<p>10</p>	<p>Social Investing is that investing which seeks to produce both financial and social/environmental value and returns. We have used this term broadly to encompass investing in organizations and businesses that create social and financial value. Also referred to as ethical investing and socially responsible investing, this is the practice of aligning investment policies with institutional mission. SI may include making program related investments and refraining from investing in corporations with products or policies inconsistent with an investor’s values. In this mapping document, we have chosen to use the term “social investing” broadly, and to then break it into two sub-segments of socially responsible investing and community investing. Others may favor a different approach to defining the field. We have sub-divided the term “Social Investing” to include the following two categories: 1. <i>Socially Responsible Investing (SRI)</i>: The investment goal is to achieve full financial, market-rate returns with environmental and/or social value components. Most of the activity in this silo makes use of social and other screens to guide investments in mainstream corporations or to make use of shareholder activism to pursue social and environmental objectives. Our leadership examples include the organizations that manage these investments: mutual funds and financial advisors, money managers, and others. We also list noteworthy investors (such as pension funds and foundations) who invest in these funds. 2. <i>Community and Double Bottom Line Investing</i>: The investment goal is the generation of social and environmental value. In the case of community investing, this is accomplished through geographically focused strategies. This category includes Community Development Financial Institutions as well as Double Bottom Line venture or private equity funds. There is debate with regard to the degree to which financial value must be generated from these investments. Some funds argue for a discount to the market in order to allow for greater consideration of social and environmental value, while others argue there should be no discount to the market rate financial returns sought by investors. Leadership examples include organizations channeling funds into a variety of community economic development strategies.</p>	<p>Blended Value Map</p>
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<b>Related Words</b>		
	<b>INVESTMENT</b>	
	<p>Investment: Traditionally, the term “investment” has been used to refer to capital investments in search of market-rate financial returns. More recently, the term has also come to refer to any provision of capital in pursuit of value creation and returns. Therefore, investment may best be thought of as taking three forms: Market-Rate, Concessionary and Philanthropic. Additionally, “investment” has increasingly been broadened to include both financial and non-financial capital. Put simply, human capital, such as time, talent and network deployed alongside recoverable and unrecoverable financial capital to create value. <i>Market-Rate Investments</i> are those capital investments structured to seek a rate of return competitive with mainstream investing (whether debt or equity). Which mainstream investment one has in mind, however, differs depending upon the audience, investor-type and returns sought. Market-rate return may be used to refer to venture capital returns, mainstream equity market returns and/or fixed rate bond or equivalent debt note returns. <i>Concessionary-Rate Investments</i> are those investments structured at some level of concession to the market-rate in exchange for the generation of other forms of non-financial return valued by the investor. For example, a Program Related Investment is a below market-rate loan made by a foundation to an entity (usually a community development organization, though PRIs may also be awarded to for-profit firms) creating social as well as economic impact. Therefore, the investment instrument provides returns that are “at a concession” to the mainstream market-rate return available to financial capital investors and is assumed to generate less financial return and/or take on greater risk. In recent years, many philanthropists have come to view their grantmaking as a form of investment and use the term to refer to specific grants provided to nonprofit organizations. These <i>Philanthropic-Rate Investments</i> generate no return of principal to the investor (unless one considers the tax deduction), but are viewed as generating a social return on investment for both investor and investee. In fact, all these investments could be viewed as generating a spectrum of returns and may themselves be structured on a variety of terms (ie., with regard to warrants, timeframe of principal return to investor and so forth).</p>	Blended Value Map

	<p>Please see <i>The Nature of Returns</i> for further discussion of this concept. Any of these investments may be structured in a variety of ways depending upon the interests of the investor and investee. Nonprofit organizations may issue bond offerings on terms that generate financial and social value. Private equity investors may structure their investments in for-profit firms on terms that are of blended value to both investor and investee. The whole arena of investment structure and return is perhaps the most exciting and promising within this entire discussion of value creation efforts, since mainstream capital markets are barely beginning to understand the implications of investing for multiple returns and more innovative investors (of many stripes) are increasingly appreciating the promise and power of custom structured notes and equity investing. The challenge for the field is in creating additional offerings of “conforming” investment instruments that may be used by broader, mainstream markets, and in the process create greater total liquidity for both investors and investees. Much interesting work remains to be done in this exciting area of innovative structured finance.</p>	
	<p><b>SOCIALLY RESPONSIBLE INVESTING</b></p>	
	<p>Socially responsible investment combines investors' financial objectives with their commitment to social concerns such as social justice, economic development, peace or a healthy environment. It describes investment that takes account of the investors' values and objectives, whether social or environmental, whilst also delivering a financial return. The term is often interchangeably used with the terms ethical investment and social investment.</p>	<p>Sustainable Funding Project</p>
	<p>Socially responsible investment combines investors' financial objectives with their commitment to social concerns such as social justice, economic development, peace or a healthy environment. It describes investment that takes account of the investors' values and objectives, whether social or environmental, whilst also delivering a financial return. The term is often used interchangeably with the terms ethical investment and social investment. The UK Social Investment Forum champions all forms of Socially Responsible Investment: <a href="http://www.uksif.org">www.uksif.org</a>.</p>	<p>Sustainable Funding Project</p>



	<p>Recoverable investments that make use of one or more of the following strategies: 1) Screening out bad and/or looking for good corporate citizens, products, etc. to invest in. 2) Shareholder Activism - taking positions in companies as investors and then engaging management and proxy voting to change corporate policies. 3) Community Investment - financing community based organizations or businesses that create jobs, deliver social services, etc. This last strategy can be very close to recoverable Social Investment in structure and purpose when the social return begins to outweigh the financial considerations. But, generally SRI differs from Social Investment in that it still leads with the financial purpose, not the philanthropic.</p>	<p>Social Venture Partners</p>
	<p>The practice of aligning a foundation's investment policies with its mission. This may include making program-related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values. Topic areas: Foundations and Grantmaking, Fundraising and Financial Sustainability</p>	<p>Nonprofit Good Practice Guide</p>
	<p>Socially responsible investing is the integration of social responsibility and environmental sustainability with investment. It includes all the financial decision-making processes that are a part of a prudent investment management approach, but it also includes the selection and management of investments based on issues of sustainability or social responsibility. Social investing can be done by individuals or institutions such as foundations, religious organizations, trusts, investment pools and pension plans. There are three basic approaches to socially responsible investment: Positive and negative screening; Community Investment; Shareholder Advocacy</p>	<p>Social Investment Forum</p>
	<p><b>ETHICAL INVESTMENT</b></p>	
	<p>Investment that takes account of ethical considerations, avoiding certain businesses deemed to be 'unethical', and/or specifically targeting those that promote positive environmental or social impacts. Naturally, there is no universally agreed upon definition of what is and is not 'ethical'. The term is often used interchangeably with 'Socially Responsible Investment', and is most commonly used in the retail market.</p>	<p>Sustainable Funding Project</p>

	<p>Where funds are invested in companies which have been screened to ensure that they are not engaged in activities which the investor would not wish to support. (also Green Investment, Socially Responsible Investment, Conscious Investment). An investment policy that specializes in environmental and socially responsible investment, and is informed by shared commitment to improve corporate ethics and promote ecologically sustainable and socially just enterprises through judicious investment.</p>	<p>The Wheel</p>
	<p><b>CORPORATE SOCIAL INVESTING</b></p>	
	<p>In his book Corporate Social Investing, Curt Weeden makes the case for a shift from traditional corporate philanthropy to a broader, multi-faceted strategy which he calls corporate social investing. Under this philosophy, a company sets a specific goal for contributions, targets its giving toward causes that provide return to the company, and gives shareholders a means to hold the company accountable for its nonprofit investments.</p>	<p>The Independent Sector</p>
	<p><b>MISSION RELATED INVESTING</b></p>	
	<p>MRI is the process of using investments to further fulfillment of an institution’s organizational mission. There are a number of forms of MRI, including shareholder activism, the use of social screens, private capital (typically venture capital) investing in “social” ventures, program related investments and/or the use of screened mutual funds. Regardless of the form taken, the goal is to align corpus investments with the goals of the investing institution.</p>	<p>Blended Value Map</p>

<b>SOCIAL REPORTING</b>		
<b>Preferred definition</b>	Public sharing by companies of their social performance. Uses non-financial data that covers areas such as staff issues, community economic development, stakeholder involvement, volunteerism, and environmental performance.	
<b>Commentary</b>	This term is closely linked to Corporate Social Responsibility and Social Return on Investment (SROI) and represents the means by which companies report their Corporate Social Responsibility (CSR) practices. Still up for debate are optimal mechanisms by which companies should share this information, which metrics should be used, and whether it is incumbent upon a company to do social reporting.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	Non-financial data covering staff issues, community economic developments, stakeholder involvement and can include voluntarism and environmental performance.	MHC International
2	Non-financial data covering staff issues, community economic development concerns, stakeholder involvement and related “social” activities and impacts of an organization (whether for-profit or nonprofit). Social reporting may include voluntarism and environmental performance metrics.	Blended Value Map
3	Public sharing by companies of their performance, measured by indicators in relation to societies requirements and expectations, environmentally ecologically, economically, socially and ethically.	University of Newcastle Upon Tyne: Chemical Engineering and Advanced Materials
4	The measurement of social performance against societal and stakeholder expectations. Issues covered may address: Corporate - ethical standards and human rights; Employees - freedom of association, workforce diversity, and child labor; Local and Global Community - community involvement and consultation, complaints; Customers - advertising standards.	Australian Government: Department of the Environment and Heritage; Sustainable Industry
<b>Related Words</b>		
	<b>See: Social Impact Analysis</b>	

<b>SOCIAL RETURN ON INVESTMENT (SROI)</b>		
<b>Commentary</b>	Social Return on Invested Capital (SROI) term has become increasingly meaningful and necessary as venture philanthropy and social entrepreneurship have increased in importance and as funding recipients are more frequently asked to justify their existence and financial needs. At the crux of this discussion is the extraordinary difficulty of quantifying social impact and returns and of defining the metrics appropriate for doing so. However, furthering SROI is believed to be essential to helping those outside the social sector determine the full value of an investment. The Roberts Enterprise Development Fund (REDF) has produced the most widely used work thus far on SROI.	
<b>Preferred definition</b>	A quantitative measure of social impact from a capital investment.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	It's important to understand that there are many methods and levels at which to measure social return, not to mention challenges to accuracy and/or efficacy. For example, SROI can be thought of in terms of jobs created, houses built - creating social impact 'units'. Additionally, the value of these social units may be converted to a dollar value measuring the financial impact upon society and/or the recipients of the benefit (we suggest reading Roberts Enterprise Development Fund's works on quantifying SROI). SROI is important to outside funders because it provides the appropriate metrics and allows value creation to be tracked, calculated and attributed to philanthropic "investments". It also lays the foundation for enabling publicly funded nonprofits to specifically document the extent of the social cost savings generated by their efforts-cost savings that in this day of "pay for performance" could be directly channeled to the nonprofit from public sector funders. An SROI analysis creates a powerful tool for social sector managers to use in advocating for financial support of their work.	Houston Social Venture Partners

2	<p>The non-financial returns sought by a social entrepreneur. These returns will vary depending upon the type of business activity. They could include the number of jobs created, the average salaries paid, the number of people served, the number of new products or services developed, the number of transfer payments eliminated, and so on.</p>	<p>Institute for Social Entrepreneurs</p>
3	<p>Broadly speaking, social returns are those nonfinancial returns generated by a venture or created by an investment of capital. Many people make use of the term with an operating assumption that social returns generated by organizations are often beyond measurement and assessment. In recent years this assumption has been challenged as the term SROI has been used by REDF<sup>43</sup> and others as a defined framework to assess the economic impact and blended value generated by social purpose enterprises. This is calculated based upon assessing the social cost savings and social impact generated by such ventures. The term has come to be more generally used as any quantitative measure of social impact and capital performance.</p>	<p>Blended Value Map</p>
4	<p>It is our contention that the true impact of the collective work taking place in the nonprofit sector is under-valued by those both within and outside the sector due to an absence of appropriate metrics by which value creation may be tracked, calculated and attributed to the philanthropic and public "investments" financing those impacts. Furthermore, while SROI is important to outside funders, it also lays the foundation for enabling publicly funded nonprofits to specifically document the extent of the social cost savings generated by their efforts-cost savings that in this day of "pay for performance" could be directly channeled to the nonprofit from public sector funders. An SROI analysis creates a powerful tool for social sector managers to use in advocating for financial support of their work. As the nonprofit sector continues to compete for limited charitable dollars it becomes increasingly important that we be able to understand not simply that a program is a "good cause," but rather that its social returns argue for increasing our investments in their work.</p>	<p>Roberts Enterprise Development Fund (REDF)</p>

5	Social Return on Investment (SROI) measures an investment's ability to produce social value in a community or broader society. It's important to understand that there are many methods and levels at which to measure social return. For example, SROI can be thought of in terms of jobs created, houses built - creating social impact 'units'. Additionally, the value of these social units may be converted to a dollar value measuring the financial impact upon society and/or the recipients of the benefit (we suggest reading Roberts Enterprise Development Fund's works on quantifying SROI). Whereas financial return is relatively straightforward, differences in personal values and definitions of 'social impact' require varying measures of social return.	Calvert Foundation
6	In fact, many social returns are impossible to quantify - making this a necessarily inexact science, and one that we hope is furthered by open discussion, research and analysis. Contribute to support Calvert Foundation's research of SROI. A working SROI model can help investors determine how attractive a potential investment is by measuring whether a given investment has been effective, based on its social impact. Beginning to get at meaningful social returns is crucial to encouraging investments into non-profit and community development organizations, which may have lower financial returns, no financial returns, or even be advanced as a charitable gift. Without an understanding of the tangible and measurable effect created through an investor or donor's activity, the reasons to engage in this critical development work will be only anecdotal.	Calvert Foundation
<b>Related Words</b>		
	<b>SOCIAL RETURN (Social dividend)</b>	
	A return that enhances the stock of social capital.	The Wheel
<b>RELATED LINKS</b>		
	<a href="http://www.redf.org/about_sroi.htm">http://www.redf.org/about_sroi.htm</a>	Roberts Enterprise Development Fund (REDF)
	<a href="http://www.redf.org/pub_sroi.htm">http://www.redf.org/pub_sroi.htm</a>	Roberts Enterprise Development Fund (REDF)

	<a href="http://www.neweconomics.org/gen/newways_socialreturn.aspx">http://www.neweconomics.org/gen/newways_socialreturn.aspx</a>	New Economics Foundatin (nef)
	<a href="http://hbswk.hbs.edu/item.jhtml?id=1957&amp;t=nonprofit">http://hbswk.hbs.edu/item.jhtml?id=1957&amp;t=nonprofit</a>	Harvard Business School Working Knowledge article
	<a href="http://www.haas.berkeley.edu/responsiblebusiness/docs/SSROI%20Olsen%20Lingane.pdf">http://www.haas.berkeley.edu/responsiblebusiness/docs/SSROI%20Olsen%20Lingane.pdf</a>	Haas School - Berkeley
	<a href="http://www.calvertfoundation.org/ci-ctr/sroi.html">http://www.calvertfoundation.org/ci-ctr/sroi.html</a>	Calvert Foundation
	<a href="http://www.impactventures.net/theportfolio/measuringperf.html">http://www.impactventures.net/theportfolio/measuringperf.html</a>	High Impact Ventures
	<a href="http://www.seepnetwork.org/content/library/detail/681">http://www.seepnetwork.org/content/library/detail/681</a>	Small Enterprise Education and Promotion Network

<b>SOCIAL SECTOR</b>			
<b>Preferred definition</b>	The portion of society that includes all organizations working towards social aims and in so doing overcomes the sometimes limiting definitions of private, public and voluntary and community sectors.		
<b>Commentary</b>	The definition of "social sector" has become more narrowly defined over time. It is now often used to describe the world in which social entrepreneurs and the like operate, rather than as a much broader term that refers to the entire universe of social purpose organizations.		
<b>No.</b>	<b>Definition</b>	<b>Source</b>	<b>Misc. Notes</b>
1	A term used increasingly by social entrepreneurs. It refers to all organizations working towards social aims and in so doing overcomes the sometimes limiting definitions of private, public and voluntary and community sectors.	Sustainable Funding Project	
2	The social sector consists of Non-Government Organizations (NGOs) and institutions providing services to different sections of society.	The Competition Master	web site on job hunting and careers

Related Words			
	<b>THIRD SECTOR</b>		
	The 'Third Sector' is another term used to refer to the voluntary sector. A perspective based on work carried out by the CBS Network (2002) defines the Third Sector as all constituted organisations, plus the family economy, as set apart from the statutory and private sectors, and as such voluntary organisations are predominant within it.	Scottish Center for Voluntary Organisations	
	"third sector" typically refers to the set of institutions and organisations located between the state, the first sector, and the market, the second sector. The term covers voluntary associations, charities, non-profit organisations, community groups, foundations and a broad range of organisations that are private, not-profit-distributing and voluntary. It excludes co-operatives and mutual associations although significant overlap exists among these types of organisations and the third sector category, particularly in an historical and cross-national context.	Fathom: The Source of Online Learning	
	The term Third Sector is a modern substitute for 'voluntary sector'. It is usually used to refer to all organizations not part of the business or government sectors. It could include unions, churches, clubs, associations, fundraising charities, self-help groups, grant-making trusts and foundations, community organizations, pressure groups, etc	Nonprofit Good Practice Guide	
	<b>INDEPENDENT SECTOR</b>		
	Nonprofit or tax-exempt organizations collectively that are specifically not associated with any government, government agency, or commercial enterprise.	Nonprofit Good Practice Guide	
	<b>See: NON-PROFIT SECTOR</b>		



	<b>VOLUNTARY SECTOR</b>		
	<p>The voluntary sector is comprised of self-governing organizations that exist to serve a public benefit and generate social capital. The Voluntary Sector relies heavily on the efforts of volunteers in carrying out its mandate.</p> <p>In addition, it is independent of the formal structures of government or the profit sector. Some organizations are registered charities, some are incorporated non-profit organizations, and others still exist independent of these classifications. Organizations may range from small community-based groups to large, national umbrella organizations, and their work may include delivering services, advocating on behalf of community causes, encouraging self-help, facilitating international, community and economic development, advancing religious faith and practice, or raising funds and providing financial support to other voluntary organizations.</p>	Nonprofit Good Practice Guide	
	<b>See: CIVIL SOCIETY</b>		

	<b>SOCIAL VENTURE</b>		
<b>Preferred definition</b>	An earned income strategy that has both financial and social goals integral to its purpose.		
<b>Commentary</b>	This term is generally used as a synonym for social business, although it is sometimes used to refer specifically to the revenue-generating arm of a non-profit organization.		
<b>No.</b>	<b>Definition</b>	<b>Source</b>	<b>Misc. Notes</b>
1	We define a social venture as an enterprise that has both financial and social goals integral to its purpose	Global Social Venture Competition	

<b>Related Words</b>			
	<b>SOCIAL VENTURE CAPITAL</b>		
	Equity investment with the goal of social as well as financial return on investments (see Social Investment). Typically longer term than a loan, with risk being shared more equally between the investor and the investee. Social venture capital rates of return are often not as high as for conventional venture capital. Some social venture capital sits half way between debt and equity using aspects of both and is also referred to in the text as 'mezzanine	The Wheel	
	<b>SOCIAL PURPOSE BUSINESS VENTURE</b>		
	An earned income strategy designed to directly address a specific social problem and simultaneously make a profit.	Institute for Social Entrepreneurs	
	<b>See: VENTURE PHILANTHROPY</b>		
<b>Related Links</b>			
	<a href="http://www.svn.org">www.svn.org</a>	Social Venture Network	Founded in 1987 by some of the nation's most visionary leaders in socially responsible entrepreneurship and investment, <b>Social Venture Network (SVN)</b> is a nonprofit network committed to building a just and sustainable world through business.
	<a href="http://www.svpi.org/">http://www.svpi.org/</a>	Social Venture Partners	Lots of regional social venture partner organizations; part of Social Venture Partners International
	<a href="http://www.socialvc.net/index.cfm?fuseaction=Page.viewPage&amp;pageId=13&amp;parentID=10">http://www.socialvc.net/index.cfm?fuseaction=Page.viewPage&amp;pageId=13&amp;parentID=10</a>	Global Social Venture Competition	

	<a href="http://www.svneurope.com/">http://www.svneurope.com/</a>	Social Venture Network - Europe	
	<a href="http://www.svn.org/Initiatives/svi.html">http://www.svn.org/Initiatives/svi.html</a>	Social Venture Institute	Since 1996, Social Venture Institutes (SVI) have offered the leaders of socially responsible businesses and innovative nonprofits a forum in which to air their business problems and receive expert advice and mentoring by leading members of Social Venture Network. Founded by Gary Hirshberg, President and CEO of Stonyfield Farm, SVI was designed to provide an interactive and affordable way for socially conscious business ventures to explore ways to succeed.

STAKEHOLDER		
<b>Preferred definition</b>	Any person, group, or organization that can place a claim on an organization's attention, resources, or output, or is affected by that output.	
<b>Commentary</b>	There are varying degrees to which each stakeholder has priority and influence on an organization. The significance of this within the social sector community is that certain social stakeholders are not receiving due attention. While stakeholders are sometimes defined as those with an interest in the success of an organization, this characterization is too narrow; there certainly cases in which there are stakeholders who might be adversely affected by an organization and who do not wish that the organization were viable in the long-term.	

<u>No.</u>	<u>Definition</u>	<u>Source</u>	<u>Misc. Notes</u>
1	Any person, group, or organization that can place a claim on an organization's attention, resources, or output, or is affected by that output.	The Wheel	
2	An individual or organization that has an active interest, or a stake, in a particular organization or issue. For example, funders, members, contractors, purchasers trustees, beneficiaries, volunteers and paid staff are all stakeholders in a voluntary organization. The concept of stake holding was popularized by Will Hutton in a book called The Stakeholder Society.	Sustainable Funding Project	
3	The constituencies served or affected by an organization or company, including clients, customers, donors, employees, shareholders, neighbors, suppliers, distributors, partners, and government officials.	The Independent Sector	
4	An individual or group with an interest in the success of an organization in delivering intended results and maintaining the viability of the organization's products and services. Stakeholders influence programs, products, and services. Examples include congressional members and staff of relevant appropriations, authorizing, and oversight committees; representatives of central management and oversight entities such as OMB and GAO; and representatives of key interest groups, including those groups that represent the organization's customers and interested members of the public.	Interoperability Clearinghouse	This definition appears in 4 glossaries
5	A person or group who can affect or is affected by an action. Responsible decision making requires consideration of the effects on all stakeholders. Usually all stakeholders are not entitled to consideration of the same aspects of their welfare, however. For example, a corporate decision may affect or be influenced by employees, stockholders, customers, suppliers, communities, some government agencies, and corporate competitors. Competitors are entitled to fairness in competition, but not to the same consideration as, say, employees.	Online ethics.org	
6	A person, department or organization that holds an interest in a process in the form of an obligation or expected return, benefit or service	Bridgefield Group	
7	Individuals, communities, non-governmental organizations, private organizations, parastatals, government agencies, financiers and others having an interest or a "stake" in a project or activity and its outcome.	Community Partnerships for Sustainable Resource Management in Malawi	
8	A person (such as a volunteer, client, donor, or employee) who has a special interest in the activities and decisions of an organization.	Campaign Consultation, Inc.	

<b>Related Links</b>			
	<a href="http://www.stakeholderalliance.org/">http://www.stakeholderalliance.org/</a>	The Stakeholder Alliance	The Stakeholder Alliance is a grassroots effort that seeks to change the corporate system to make it responsible to all stakeholders, instead of only to stockholders, and thus return corporations to their original public purpose. Our first objective is to make corporations fully and publicly accountable, through comprehensive public disclosure, for their actions.
	<a href="http://www.sustainability.com/issues/who-are-stakeholders.asp">http://www.sustainability.com/issues/who-are-stakeholders.asp</a>	SustainAbility	Who are stakeholders?

	<b>STRATEGIC PHILANTHROPY</b>		
<b>Preferred definition</b>	There are two distinct definitions for strategic philanthropy: 1) Engaging in philanthropy in a strategic manner to make a major philanthropic impact; investing in the creation of social value. 2) Aligning a corporation's charitable giving with its vision in order to get the most from philanthropic efforts.		
<b>Commentary</b>	The meaning of this word depends on the context in which it is used. In the social sector and foundation world, it refers to maximizing social impact via a coherent giving strategy. In the corporate world, it refers to maximizing a combination of social impact and public perception via alignment with the corporation's overall objectives. Though these two definitions can have different implications, they are both based on the idea of aligning giving with an overarching set of objectives.		

No.	Definition	Source	Misc. Notes
1	Engaging in philanthropy in a strategic manner to make a major philanthropic impact through making better choices surrounding how much one spends, invests and gives back to society	LANO	Definition of Strategic Giving
2	Strategic/effective philanthropy (S/EP) include a wide variety of philanthropic practices, many of which build upon traditional approaches to charitable giving, others of which function within an "investment philanthropy" approach. In general terms, what distinguishes S/EP from simple charitable giving is its commitment to view philanthropy not as an approach to charitable giving, but rather to investing in the creation of social value. To that end, the following could all be viewed under this general category: Social venture funds/venture philanthropy, highly engaged donor funds, highly engaged foundations and strategic philanthropy foundations	Blended Value Map	
3	'Strategic philanthropy refers both to the working philosophy and the program strategies of a foundation. It originates from an entrepreneurial view of foundation activities which focuses around strategy, key competencies and striving for effective contributions to social change.	International network of strategic philanthropists	
4	Align your charitable giving with your corporate vision to get the most from philanthropic efforts. This type of giving — commonly known as strategic philanthropy — helps the community while enhancing your company's reputation with your customers. Strategic philanthropy isn't about disguising self-serving activities under a veil of good intentions or adopting a cause merely to sell products. It's about showing consumers that your company cares about the community.	From article written by Dimitra Tasiouras, program officer of the Lloyd A. Fry Foundation	
5	Strategic philanthropy can: Address issues of strategic importance to the company and its business mission; Enhance company image among key stakeholders; Develop corporate allies; Support employee recruitment strategies; Strengthen employee morale.	Community Wealth Ventures Inc.	
<b>Related Links</b>			
	<a href="http://www.stratphilanthropy.com/">http://www.stratphilanthropy.com/</a>	Strategic Philanthropy, LTD	Philanthropic consultancy

	<a href="http://www.stratenomics.vi/">http://www.stratenomics.vi/</a>	Stratenomics	For over 25 years, <b>Stratenomics</b> has helped emerging and growing companies, established non-profit organizations and foundations and public sector agencies develop and implement the capacity to support market repositioning, change management and organizational and operational restructuring. <b>Our goal:</b> to create stable and financially viable entities that can respond quickly to changes in the marketplace and the economy.
	<a href="http://www.mediatransparency.org/movement.htm">http://www.mediatransparency.org/movement.htm</a>		Report on The Strategic Philanthropy of Conservative Foundations
	<a href="http://www.insp.efc.be/">http://www.insp.efc.be/</a>	International network of strategic philanthropists	
	<a href="http://www.insp.efc.be/frameset.php?display=1_project/100_pro_start.html?display=">http://www.insp.efc.be/frameset.php?display=1_project/100_pro_start.html?display=</a>	International network of strategic philanthropists	What is Strategic Philanthropy?
	<a href="http://www.e-businessethics.com/lf/strategic.html">http://www.e-businessethics.com/lf/strategic.html</a>		The role of strategic philanthropy in marketing; gives history of the subject
	<a href="http://www.bhforum.ch/default.aspx?frame=/partnership/zoellick_270199.htm">http://www.bhforum.ch/default.aspx?frame=/partnership/zoellick_270199.htm</a>		Keynote address from Robert B. Zoellick, President and CEO of Center for Strategic and International Studies before the Business-Humanitarian Forum
	<a href="http://cisco.netacad.net/public/news/HBR.pdf">http://cisco.netacad.net/public/news/HBR.pdf</a>	Harvard Business Review article	Cisco as example of Strategic Philanthropy

<b>SUSTAINABILITY</b>			
<b>Preferred definition</b>	Meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. As defined by the Brundtland Commission, 1987.		
<b>Commentary</b>	There is widespread adoption of the preferred definition as defined by the Brundtland Commission in 1987 and promoted at the 1992 Rio Earth Summit. Although this word has roots in environmental circles, it has since broadened to address economic, environmental and social issues. It requires a long-term and integrated approach to an organization's practices.		
<b>No.</b>	<b>Definition</b>	<b>Source</b>	<b>Misc. Notes</b>
1	The ability of a community or society to develop a strategy of economic growth and development that continues to function indefinitely within the limits set by ecology and is beneficial to all stakeholders and the environment.	Nonprofit Good Practice Guide	
2	(a) ensuring that an enterprise can generate sufficient revenue to be financially viable; and (b) adopting environmental policies and practices which minimize the impact of the enterprise on the environment and the future of the planet.	The Wheel	
3	The ability to fund the future of a nonprofit through a combination of earned income, charitable contributions and public sector subsidies.	The Institute for Social Entrepreneurs	
4	Meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. As defined by the Brundtland Commission, 1987.	Massachusetts government; office for Environmental Affairs	This definition comes in various forms in several glossaries
5	A key concept for the 1990s, promoted by the 1992 Rio Earth Summit, and subsequently G7/G8 conferences and governments at all levels. Essentially it is about living, working and ordering society in ways which are environmentally "sustainable", encouraging reduction of pollution, re-use of resources, promoting biodiversity etc. The core idea is that "current generations should meet their needs without compromising the ability of future generations to meet their own needs". It is also in some quarters associated with promoting social justice and a fairer society.	Flexibility (UK organization)	



6	The term originally applied to natural resource situations, where the long term was the focus. Today, it applies to many disciplines, including economic development, environment, food production, energy, and lifestyle. Basically, sustainability refers to doing something with the long term in mind, (several hundred years is sufficient). Today's decisions are made with a consideration of sustaining our activities into the long term future.	University of Arizona course on the Future	
7	A goal, that aims towards preserving quality interactions with the local environment, economy and social system.	Genencor International	
8	A concept and strategy by which communities seek economic development approaches that benefit the local environment and quality of life. Sustainable development provides a framework under which communities can use resources efficiently, create efficient infrastructures, protect and enhance the quality of life, and create new businesses to strengthen their economies. A sustainable community is achieved by a long-term and integrated approach to developing and achieving a healthy community by addressing economic, environmental, and social issues. Fostering a strong sense of community and building partnerships and consensus among key stakeholders are also important elements.	Austin City Connection	
9	Concept developed in 1980 by the International Union for the Conservation of Nature and taken up by the Brundtland report in 1987. Sustainable development means a form of development "that meets the needs of present generations without compromising the ability of future generations to meet theirs".	Solagral	
10	A strategy by which communities seek economic development approaches that also benefit the local environment and quality of life. For a community to be truly sustainable, it must adopt a three-pronged approach that considers economic, environmental and cultural resources. Communities must consider these needs in the short term as well as the long term (Smart Communities Network).	Sacramento Transportation and Air Quality Collaborative	
<b>Related Words</b>			
	<b>SUSTAINABLE DEVELOPMENT</b>		
	The type of broad based, long-term human growth which encourages the continual development of skills, capacities and talents to the fullest possible extent as a means of challenging poverty and social exclusion.	The Wheel	Referred to as "sustainable economic and social development"

	Environmental impact measurement, improvements, monitoring and reporting. (JR, ibid).	MHC International	
	SD is presented as a silo, though it may also be viewed as a cross-cutting issue since it clearly moves through various parts of each of the four silos. In common usage, the term is sometimes used interchangeably with sustainable consumption and production. The generally accepted definition was proposed by the United Nations: "To meet the needs of the present without compromising the ability of future generations to meet their own needs." The World Business Council on Sustainable Development defines SD in terms of the Council's commitment to "sustainable development via the three pillars of economic growth, ecological balance and social progress." We use the term to refer to initiatives and practices that seek to minimize environmental pressure, bolster economic prosperity and improve the quality of life. Much of SD overlaps with other silos, particularly in the silo of Corporate Social Responsibility, however the emphasis here is more on ecoefficiency and improving the economic and social conditions in the developing world.	Blended Value Map	
	Development that meets the needs of the people today without compromising the ability of future generations to meet their own needs.	World Bank	A definition that pervades many different sources from the Brundtland Report, Our Common Future, Report of the World Commission on Environment and Development (Brundtland Commission), Les Editions du Fleuve, 1987, p. 51.)
	According to the WCED, this is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable development implies economic growth together with the protection of environmental quality, each reinforcing the other. The essence of this form of development is a stable relationship between human activities and the natural world, which does not diminish the prospects for future generations to enjoy a quality of life at least as good as our own. Many observers believe that participatory democracy, undominated by vested interests, is a prerequisite for achieving sustainable development (Source: Mintzer, 1992).	Global Change	

	is a broad concept referring to the need to balance the satisfaction of near-term interests with the protection of the interests of future generations, including their interests in a safe and healthy environment. As expressed by the 1987 UN World Commission on Environment and Development (the "Brundtland Commission"), sustainable development "...meets the needs of the present without compromising the ability of future generations to meet their needs."	Resources for the Future	
	a shared commitment to orderly economic development and use, along with an understanding and respect for the capabilities and limitations of the environment to support growth and economic activity over time. Sustainability means managing resources in a manner that meets the needs of present generations without compromising the ability of future generations to meet theirs. Sustainable developments do not adversely affect people living elsewhere (near or far) and allow all elements of the community to flourish.	Mississippi National River and Recreation Area	
	<a href="http://www.sustainability.com/philosophy/what-is-sustainable-development.asp">http://www.sustainability.com/philosophy/what-is-sustainable-development.asp</a>	SustainAbility	What is sustainable development?
	<b>CORPORATE SUSTAINABILITY</b>		
	Aligns an organization's products and services with stakeholder expectations, thereby adding economic, environmental and social value (Price WaterhouseCoopers).	MHC International	
<b>Related Links</b>			
	<a href="http://www.afs.nonprofitoffice.com/">http://www.afs.nonprofitoffice.com/</a>	Alliance for Sustainability	
	<a href="http://www.sustainer.org/">http://www.sustainer.org/</a>	Sustainability Institute	
	<a href="http://www.sustainablemeasures.com/">http://www.sustainablemeasures.com/</a>	Sustainable Measures	

<b>THEORY OF CHANGE</b>		
<b>Preferred definition</b>	Theory of change explains how an organization will achieve its intended long-term goal.	
<b>Commentary</b>	Theory of Change and Logic Model are closely related terms. The distinction is that the Logic Model is more detailed and activities based. Another difference is that Theory of Change more often refers to or is based on social science whereas the Logic Model is more organizationally focused.	
<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	"...how each of the activities you plan to pursue will contribute to the ends you seek."	The Bridgespan Group: "An Introduction to Business Planning for Nonprofits"
2	A Theory of Change is an innovative tool to design and evaluate social change initiatives. By creating a blueprint of the building blocks required to achieve a social change initiative's long-term goal, such as improving a neighborhood's literacy levels or academic achievement, a Theory of Change offers a clear roadmap to achieve your results identifying the preconditions, pathways and interventions necessary for an initiative's success.	Theoryofchange.org (Aspen Institute)
3	The partnership's assumptions and decisions about the changes it is seeking, what influences that change, and what must happen to bring about that change.	NGA Center for Best Practices
<b>Related Words</b>		
	<b>LOGIC MODEL</b>	
	A systemic, visual way to present a planned program with its underlying assumptions and theoretical framework. It is a picture of why and how a program should work.	Non-Profit Good Practice Guide

	<p>A framework that shows the relationship between the partnership's ultimate aim (its results) and the activities it is pursuing to get there, along with how it will measure progress along the way. The logic model also reflects the partnership's "theory of change"- its theory about what affects the indicators and performance measures it cares about, and what works to improve them. It is a means for a partnership to plan its work and assess its progress, and it provides a vehicle for others to evaluate the logic of its actions as well.</p>	<p>NGA Center for Best Practices</p>
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<b>TRIPLE BOTTOM LINE</b>		
<b>Preferred definition</b>	<p>The triple bottom line (TBL) focuses corporations not just on the economic value they add, but also on the environmental and social value they add – and destroy. At its narrowest, the term ‘triple bottom line’ is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters. At its broadest, the term is used to capture the whole set of values, issues and processes that companies must address in order to minimize any harm resulting from their activities and to create economic, social and environmental value. This involves being clear about the company’s purpose and taking into consideration the needs of all the company’s stakeholders – shareholders, customers, employees, business partners, governments, local communities and the public.</p>	
<b>Commentary</b>	<p>SustainAbility coined this term, which built on to the 'double bottom line' concept by adding the environmental component to the value equation. While this concept is superficially similar to blended value, an important distinction is that it separates value into three types rather than viewing it as an integrated whole.</p>	

<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	The triple bottom line (TBL) focuses corporations not just on economic performance, but also on environmental and social performance. Usually, the term ‘triple bottom line’ is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters. <sup>48</sup> Please see writings by John Elkington (founder of SustainAbility and the first to popularize the term “triple bottom-line”) referenced in the bibliography for an extensive discussion of “TBL” concepts and practices.	Blended Value Map
2	The triple bottom line (TBL) focuses corporations not just on the economic value they add, but also on the environmental and social value they add – and destroy. At its narrowest, the term ‘triple bottom line’ is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters. At its broadest, the term is used to capture the whole set of values, issues and processes that companies must address in order to minimize any harm resulting from their activities and to create economic, social and environmental value. This involves being clear about the company’s purpose and taking into consideration the needs of all the company’s stakeholders – shareholders, customers, employees, business partners, governments, local communities and the public.	SustainAbility
3	an expanded baseline for measuring performance, adding social and environmental dimensions to the traditional monetary yardstick	International Institute for Sustainable Development
4	– The concept of considering not just the economic value a corporation creates, but also how it impacts society and the environment.	<a href="http://www.sustainablegrowth.conoco.com/current/other/other.asp">www.sustainablegrowth.conoco.com/current/other/other.asp</a>
5	The three areas that business should be accountable for - environmental, social and economic.	<a href="http://www.loyyangpower.com.au/site/env2001-rep-10.html">www.loyyangpower.com.au/site/env2001-rep-10.html</a>
6	Reporting on the financial, social and environmental impacts of an organization.	<a href="http://erin.gov.au/industry/finance/glossary.html">erin.gov.au/industry/finance/glossary.html</a>
7	A calculation of corporate economic, environmental, and social performance.	<a href="http://highered.mcgraw-hill.com/sites/0072488344/student_view0/chapter6/chapter_glossary.html">highered.mcgraw-hill.com/sites/0072488344/student_view0/chapter6/chapter_glossary.html</a>

<b>Related Words</b>		
	<b>DOUBLE BOTTOM LINE</b>	
1	The ultimate benchmark for a social purpose business – the venture must simultaneously deliver both a financial and social return on investment.	Institute for Social Entrepreneurs
2	Double Bottom Line (DBL) businesses are entrepreneurial ventures that strive to achieve measurable social and financial outcomes investment funds refers to venture funds that have social or environmental intent, that environmental problems with their investment activities.	Blended Value Map
<b>Related Links</b>		
	<a href="http://www.sustainability.com/philosophy/triple-bottom/tbl-intro.asp">http://www.sustainability.com/philosophy/triple-bottom/tbl-intro.asp</a>	SustainAbility

	<b>VENTURE PHILANTHROPY</b>	
<b>Preferred definition</b>	A model for charitable giving that arose in the 1990s, based on the application of venture capital investment principles to social investments. Funders "invest" not just money but energy and expertise in the organizations they support. Generally, funders track their donations just as venture capitalists follow their investments, with nonprofits asked to provide evidence of their results and impact on a regular basis. Venture philanthropy focuses on leadership, bold ideas, developing strong teams, active board involvement, and long-term funding.	
<b>Commentary</b>	Venture philanthropy was originally associated with "new wealth" individuals and high tech entrepreneurs but is becoming increasingly mainstream. The movement has partially driven an increasing movement towards injecting traditional business metrics and concepts into the social sector. It has also engaged individuals into the social sector space who might not otherwise would have been involved to such a high degree.	

<b>No.</b>	<b>Definition</b>	<b>Source</b>
1	A model for charitable giving that arose in the 1990s, based on venture capitalism in the business world. The funder "invests" not just money but energy and expertise in the nonprofits they support. Generally, donors track their donations just as venture capitalists follow their investments with nonprofits asked to provide evidence of results and impact on a regular basis. Venture philanthropy is often associated with "new wealth" individuals and high tech entrepreneurs.	Nonprofit Good Practice Guide
2	An approach to philanthropy that borrows some of the best practices of the venture capital world to invest deeply in non-profits to build their capacity effectively. Venture philanthropists value their donor dollars in terms of the social return of investment.	LANO
3	The practice of applying venture capital investment principles and strategies to social investments. Venture philanthropy focuses on leadership, bold ideas, developing strong teams, active board involvement, and long-term funding.	The Wheel
4	Venture Philanthropy is the process whereby, individuals invest money and time in social organizations: it takes the principles of venture capitalism and applies them to philanthropy. Big currency before the dot.com went dot.gone – lots of excitement about e-zillionaires making millions then, wanting something more from life, fixing poverty and oppression with whizzy business skills. Now a little more measured - but this isn't to say it's not an interesting and potentially valuable concept.	Sustainable Funding Project
5	Really different words for much the same message as Engaged Philanthropy. However, this approach to philanthropy overtly borrows principles and language from the practice of venture capitalists in the business world. Venture philanthropy rests on the premise that the best investments require more than money: success requires time and talent, too. This means bringing a range of volunteering, expertise and strategic thinking to the table. Moreover, like VCs, VPs expect results and accountability from the organizations they support and generally maintain portfolios of non-profit engagements.	Houston Social Venture Partners



6	<p>The use by grant-makers and investors of certain principles traditionally associated with venture capitalists to either build the capacity of a nonprofit organization or to invest in a social purpose business venture. Key elements include long-term relationships (three to six years), development of business plans, provision of cash and expertise, and an exit strategy. Donors and/or investors make long-term funding commitments, closely monitor performance objectives through pre-defined measurement tools, and problem-solve jointly with the leadership team on a regular basis.</p>	<p>Institute for Social Entrepreneurs</p>
7	<p>A fast-growing, highly diverse, and sometimes controversial movement that seeks to apply some of the techniques of venture capitalism to the nonprofit world. In the venture philanthropy model, an individual philanthropist or corporate or private foundation often develops long-term, close relationships with its nonprofit partners, much like a venture capitalist would do. The venture philanthropist may help the nonprofit build a strategic plan, make community contacts, conduct social enterprise that generates sustainable revenues, and serve on the board, while holding the nonprofit organization accountable to meet its deliverables.</p>	<p>The Independent Sector</p>
8	<p>Strong leaders with bold ideas plus a venture approach yield effective community organizations. The venture approach includes funding social entrepreneurs in organizations with scale-up potential. Support is long-term and the funder makes substantial commitments to a few rather than smaller commitments to many. Support includes board participation, team building, and a resource network.</p>	<p>Tom Reis/Kellogg</p>
9	<p>Funds that invest in social enterprises using methods similar to venture capital firms. Most notably these groups practice high engagement with investees (whether for for-profit or non-profit), maintain longer investment horizons and have a clearly enunciated focus upon outcomes and documented social return on investment.</p>	<p>Blended Value Map</p>

10	<p>By now, most people in the public benefit sector have heard of venture philanthropy. Although the term "venture philanthropy" was thought to be coined in 1985, further research indicates that John D. Rockefeller, III first used it in 1969 at hearings before the Committee on Ways and Means of the 91st Congress, on the subject of tax reform. Rockefeller was recorded as saying, "Private foundations often are established to engage in what has been described as 'venture philanthropy,' or the imaginative pursuit of less conventional charitable purposes than those normally undertaken by established public charitable organizations." In recent years, Venture Philanthropy has become synonymous with "High Engagement Philanthropy". Both Venture Philanthropy and High Engagement Philanthropy have similar tenants, which are as follows: Provide intellectual capital in addition to financial capital, Have an active, close relationship between the funder and the grantee, Grants are multi-year, usually three or more years, Grants are focused on building the capacity of the recipient organizations, not on building new programs, and assist grantees in establishing and tracking outcomes and use this information as a basis for assessing the progress of their investments.</p>	Silicon Valley Social Venture Fund
11	<p>Venture philanthropy refers to the nonprofit sector's application of certain practices used by venture capitalists when investing in new business ideas. Our venture philanthropy model applies five key elements: 1) Investments in long-term (3-6 year) business plans; 2) A managing partner relationship; 3) An accountability-for-results process; 4) Provision of cash and expertise; and 5) An exit strategy. Investors make long-term funding commitments, closely monitor performance objectives through pre-defined measurement tools, and problem-solve jointly with the nonprofit leadership team on a regular basis. Like private sector entrepreneurs, we take the initiative. This often means bringing together people and resources, including funding from other sources.</p>	Center for Venture Philanthropy
12	<p>A philanthropy that borrows some of the best practices of the venture capital world to invest deeply in nonprofits to build their capacity effectively. Venture philanthropists value their donor dollars in terms of the social return of investment.</p>	<a href="http://www.rag.org/giving/glossary.html">www.rag.org/giving/glossary.html</a>

13	<p>A model for charitable giving that arose in the 1990s, based on venture capitalism in the business world. The funder "invests" not just money but energy and expertise in the nonprofits they support. Generally, donors track their donations just as venture capitalists follow their investments with nonprofits asked to provide evidence of results and impact on a regular basis. Venture philanthropy is often associated with "new wealth" individuals and high tech entrepreneurs. See also: Social Venture Funds Topic areas: Fundraising and Financial Sustainability</p>	Non Profit Basics
14	<p>Charitable giving as an investment that is actively managed to meet the goals of the investors.</p>	<p>highered.mcgraw-hill.com/sites/0072488344/student_view0/chapter6/chapter_glossary.html</p>