Exploring contemporary entrepreneurial philanthropy

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Abstract

Research outside the field of entrepreneurship has long observed the involvement of super-wealthy entrepreneurs in large-scale philanthropic endeavours, while the world's media has endowed them with celebrity-like status. However, entrepreneurial philanthropy is largely absent from the entrepreneurship research literature. In this paper, we address this gap both theoretically and empirically. We propose capital theory as an appropriate theoretical lens through which to view contemporary entrepreneurial philanthropy, and present fresh evidence relating to successful, wealthy entrepreneurs involved in significant philanthropic ventures. Our findings highlight the active deployment of a distinctive blend of different forms of capital as a defining feature of entrepreneurial philanthropy, and contribute to emerging discourses regarding the nature of entrepreneurs, entrepreneurship as a socio-economic process, and to the sparse empirical analyses on entrepreneurial elites.

Key words: entrepreneurial philanthropy, capital theory, cultural capital, symbolic capital.

Introduction

Research outside the field of entrepreneurship has long observed the involvement of super-wealthy entrepreneurs in large-scale philanthropic endeavours. Business historians in particular have documented the philanthropic activities of highly successful, wealthy entrepreneurs like Andrew Carnegie (Harvey et al., 2011; Nasaw, 2007) and J.D. Rockefeller

(Chernow, 1998). A small yet influential body of research has also drawn attention to the present-day involvement of wealthy entrepreneurs with powerful networks in significant acts of philanthropy intended to address persistent social and economic inequalities (Bishop and Green, 2008; Schervish, 2003, 2005, 2008). The world's media has raised awareness of entrepreneurs' involvement in philanthropy by focusing attention on the philanthropic ventures of prominent entrepreneurs, including Bill Gates, Warren Buffet, Paul Allen and Pierre Omidyar, endowing them with a celebrity-like status (BBC, 2011; Buffet, 2010). A review of the entrepreneurship literature, however, reveals that beyond the work of a handful of researchers, including Acs and Phillips (2002) and Acs and Desai (2007), the philanthropic activities of entrepreneurs are little discussed. Our intention is to address this research gap by using capital theory to analyse and explore the current involvement of wealthy, successful entrepreneurs engaged in significant acts of philanthropy. Following Harvey et al. (2011), we refer to entrepreneurs who engage in significant philanthropy as *entrepreneurial philanthropists,* 'distinguished both by a fierce drive to accumulate personal fortunes and by the desire to deploy a significant part of their wealth in pursuit of philanthropic ventures over which they can exercise control' (Harvey et al., 2011: 425)

In this paper, we focus on entrepreneurial philanthropy in Britain, which has a long history of entrepreneurial involvement in philanthropic projects, with the names of Rowntree (1904), Leverhulme (1925), Wellcome (1936), Nuffield (1943), Wolfson (1955) and Weston (1958) standing high in the league table of British charitable foundations. We ask why, given this rich history (Marinetto, 1999) and the current debate concerning entrepreneurship as a societal rather than an economic phenomenon (Steyaert and Katz, 2004), entrepreneurship scholars have largely overlooked this aspect of entrepreneurial behaviour? The celebrity status currently enjoyed by these philanthropic entrepreneurs further highlights the absence of critical analyses in the entrepreneurship literature. In particular, recognition of the UK's rich philanthropic history questions whether we are witnessing an entirely new phenomenon or the revitalization of an established practice (Anheier and Leat, 2002, 2006; Bishop and Green, 2008; Dees, 2008; Thomas, 2007). It is our view that, while rooted within a solid historical context, contemporary entrepreneurial philanthropy differs from the past as the objectives and methods employed by philanthropists have become progressively more heavily informed by entrepreneurial values and practices.

Recognising this, and cognisant that research on the philanthropic behaviours of high net worth entrepreneurs is at an early stage, this topic presents opportunities for theoretical and empirical advances, and our paper seeks to contribute in both of these respects. Our paper contributes to a theoretical understanding of contemporary entrepreneurial philanthropy by considering the relevance of capital theory (Anheier et al., 1995; Bourdieu, 1986; Erikson, 2002; Firkin, 2003; Gorton, 2000; Harvey and Maclean, 2008) for exploring the current involvement of super-wealthy entrepreneurs in philanthropy. Empirically, our paper contributes by analysing available secondary and recently collected primary data, regarding the active involvement of wealthy entrepreneurs in acts of significant philanthropy. Our paper also contributes to emerging discourses regarding the nature of entrepreneurs, entrepreneurship as a socio-economic process, and to the sparse empirical analyses on entrepreneurial elites. Our findings challenge the conventional view of entrepreneurs as working independently, isolated from others in their environment, and contribute to a more nuanced understanding of entrepreneurs as profit-maximising individuals focused on generating and maintaining significant quantities of personal wealth.

Following this introduction, the historical context of contemporary entrepreneurial philanthropy, including the socio-economic and political climate of the late 20th century, which, it has been suggested, supported the accumulation of significant personal wealth by entrepreneurs, and witnessed changes in the involvement, reach and impact of entrepreneurs' philanthropic endeavours (Anheier and Leat, 2002, 2006; Bishop and Green, 2008; Dees, 2008; Thomas, 2007), is critically considered. We then propose the theoretical context of our study before describing our methodology. Research findings are then presented and discussed before concluding the paper, with implications and recommendations for future research.

Entrepreneurial Philanthropy in Historical Perspective

Entrepreneurs' involvement in philanthropy is not new. In the UK, the geographic context of our paper, a succession of entrepreneurs involved in the redistribution of their wealth can be traced back to 1628, when the Henry Smith Charitable Foundation was established to help combat disadvantage and poverty (The Henry Smith Charity, 2008: 27). This still vital foundation continues to make available grants totalling £25 million annually to up to 1,000 charitable organisations combating social inequality and economic disadvantage. Business history reveals that since the establishment of Henry Smith's foundation, wealthy entrepreneurs have demonstrated a keen interest in philanthropy, with both Andrew Carnegie (Harvey et al., 2011; Nasaw, 2007) and J.D. Rockefeller (Chernow, 1998) being identified as pioneering entrepreneurial philanthropists.

Against this background, political and media interest in the involvement of super-wealthy entrepreneurs in large-scale philanthropic ventures – such as those supported by the Bill and Melinda Gates Foundation, the Giving Pledge, the Clinton-Hunter Development Initiative and the Omidyar Network – has greatly increased. Much of this attention suggests that entrepreneurs possessing significant personal fortunes, and with powerful networks at their disposal, are becoming increasingly influential in global agendas for social and economic development (Bishop and Green, 2008; Schervish, 2003, 2005, 2008). This may well be the case, but there is evident need to consider more critically the motivations for entrepreneurs' involvement in such ventures, and also the consequences for themselves and their families, as well as the recipients of their philanthropic investments. A useful starting point in developing such a critical understanding is to reflect upon those factors which surround entrepreneurs' accumulation of large fortunes, as well as their involvement in redistributing amounts of this wealth for social good.

Concerning the first of these, alternative explanations for significant wealth creation can be identified. One viewpoint is that the global, socio-economic environment of the later 20th and early 21st centuries created unique opportunities for entrepreneurs to amass personal fortunes on a previously unseen scale and at younger ages than their historical peers (Giddens, 2001; Handy, 2006). This perspective suggests that buoyant economies, healthy stock markets, successful new product developments, technological advances and innovations, soaring property values, strong commodity prices and the emergence of a global marketplace combined to create an ideal environment for business growth and the accumulation of personal wealth. Alternative explanations are offered by academics and commentators who question the extent to which wealth accumulated by contemporary entrepreneurs is a consequence of genuine economic prosperity. Harvey (2010) and Krugman (2009), for example, suggest that neo-liberalist ideologies which have dominated the socio-economic policies of most developed countries for the last 30-40 years, have contributed both to the rise of extremely rich individuals who have benefitted from the shift in control of resources from public to private ownership, and to resulting income inequalities and a growing gap between the world's richest and poorest. The problem with such neo-liberal policies, they argue, is that they go further than transferring risk from governments to the private sector; at their most extreme, they shift risk onto individuals, creating opportunities for economic winners, typically the owners of production, and losers. Going further, Harvey's (2010) Marxist critique leads him to suggest that wealth comes at a price. His view is that successful entrepreneurs' ability to amass vast personal fortunes is a consequence of their ownership of economic resources and the economic rents they are able to extract. In consequence, capitalism produces an unequal distribution of income and wealth – a perspective which has received empirical support from various studies which have analysed the means by which rich people acquire their wealth and the inequalities in income which result (Keister, 2005; Piketty and Saez, 2003).

Interestingly, this view is not new; and more interesting still, it has long been part-and-parcel of the discourse of entrepreneurial philanthropy as first expressed by Andrew Carnegie in *The Gospel of Wealth*, initially published as a two-part essay in 1889. Here, Carnegie argued that economic progress had led to ownership of the means of production becoming concentrated in the hands of a small number of entrepreneurs with a special aptitude for organizing production on a grand scale. Carnegie drew attention to the resultant dangers of excessive financial rewards, suggesting they were 'productive of envy, and threatening to the social compact between rich and poor, capital and labour' (Harvey et al., 2011: 435). To alleviate such threats, Carnegie advised his fellow entrepreneurs that it was their responsibility to administer their wealth for public good (Carnegie, 1989-1906/2006: 65-67).

Despite the shortcomings of statistics published in rich and giving lists, these do provide some indication of the scale of personal wealth currently possessed by a small group of individuals and, together with official statistics on income inequalities, provide evidence in support of the analyses of Harvey (2010) and Krugman's (2009) pointing to increasing inequalities in the distributions of income and wealth. Forbes' annual list of billionaires substantiates their assertion that recent socio-economic policies have encouraged the accumulation of vast personal wealth by a tiny minority of individuals. For example, the 2006 Billionaires List recorded 793 billionaires based in 49 countries, with an average net worth of US$3.3 billion, collectively totalling US$2.6 trillion. Interestingly, more recent figures reveal that while the average net worth possessed by the world's billionaires fell by 23% over the previous three years, 793 billionaires were still recorded on the 2009 list, each calculated to have an average net worth of US $3billion (Forbes, 2009), suggesting that despite the economic recession, this elite group continue to enjoy extraordinary levels of personal wealth. Their situation stands in stark contrast to those at the bottom end of the global economic spectrum. World Bank Development Indicators (2008) estimate that almost half of the world, over 3 billion people, subsist on less than $2.50 a day, and that at least 80% live on less than £10 a day, while the United Nations' Human Development Report (2007) indicates that more than 80% of the world's population inhabit countries where income differentials are widening. Similar figures indicate that, over the past 40 years, the poorest 20% of the world's population have experienced a decline in their share of global income, down from 2-3% to 1.4% (Castells, 2004; Hedenus and Azar, 2005).

It is against this background that we might properly explore the phenomenon of contemporary entrepreneurial philanthropy. There is growing awareness of the yawning gap in fortunes between rich and poor resulting from advances in media technology, including 24/7 news coverage and instantaneous reporting via Twitter and YouTube. In consequence, the continuation of long-term social, health, environmental and related problems and the emergence of new and larger-scale problems have attracted global public attention. One such example is Africa, which, as a result of the growing awareness of the severe, multiple and complex socio-political and economic problems it faces, has become a focal point for international aid, including interventions by entrepreneurial philanthropists like Sir Tom Hunter, whose foundation is collaborating with the Clinton Foundation to support sustainable economic development in Rwanda. Awareness alone, however, cannot explain why super-wealthy entrepreneurs turn to philanthropy as a vehicle for self expression. Steyaert and Katz (2004: 182) observe that 'entrepreneurship in the last quarter of the twentieth century became a model for introducing innovative thinking, reorganizing the established and crafting the new across a broad range of settings and spaces'. They suggest that philanthropy offers another space within which entrepreneurs can express their innovation and creativity, extending their entrepreneurial talents into the philanthropic domain to compensate for the same neo-liberal policies from which they benefitted. There is at present little empirical evidence either to confirm or contradict this thesis, but it should be observed that only a small minority of entrepreneurs would seem to conform to the stereotype proposed by Steyaert and Katz.

Recent business history research offers a second and potentially more plausible explanation for entrepreneurs' involvement in significant philanthropy. Harvey et al. (2011:426) suggest that Carnegie was 'the progenitor of modern-day entrepreneurial philanthropy', and provide further insights into why currently super-wealthy entrepreneurs may, like Carnegie, become involved in significant philanthropy. Contrasting with the popular view of entrepreneurial philanthropists as altruistic individuals who, having amassed significant fortunes, desire to 'give something back' (Duncan, 2004), Harvey et al. (2011) propose that the benefits which can accrue to entrepreneurial philanthropists, including strengthening their reputation, legitimacy, powerbase and connections with influential politicians, celebrities and other prominent individuals and organisations, may provide more plausible explanations for their involvement in large-scale philanthropy. Related to this, a further factor impacting on wealthy entrepreneurs' involvement in such philanthropy is likely to be their desire to be recognised as part of an elite group (Harvey et al., 2011; Harvey and Maclean, 2008; Maclean et al., 2010; Maclean et al., 2006; Ostrower, 1995). In much the same way as Carnegie a century earlier, contemporary entrepreneurial philanthropists have been evangelistic in championing their approach to philanthropy within media and business circles (Bishop and Green, 2008; Fleishman, 2007). Well-known entrepreneurs like Bill

Gates, Sir Tom Hunter, Sir Richard Branson and the founder of eBay, Pierre Omidyar, have adopted prominent media profiles to communicate the scope and potential of their philanthropic ventures, urging their wealthy contemporaries to combat inequalities and engage in wealth redistribution. A good example of the power of normative pressures within elite social groups is provided by Warren Buffet's gift of $31 billion to the Gates Foundation in 2006. Rather than suggesting that all super-wealthy entrepreneurs share the same motivations for their engagement of philanthropy, we suggest there is an essential ambivalence and plurality of motive regarding their wealth redistribution, and we have sought to outline a range of possible explanations for their involvement in contemporary philanthropy.

Defining Entrepreneurial Philanthropy

The literature reflects a growing interest in the relationships between wealth creation, income inequalities and philanthropy (Acs and Desai, 2007; Harvey, 2010; Krugman, 2009), but largely absent from this is serious consideration of the motives and *modus operandi* of the *entrepreneurial philanthropist*. We follow the definition of entrepreneurial philanthropists proposed by Harvey et al. (2011: 428), who suggest that entrepreneurial philanthropy is defined by 'the pursuit by entrepreneurs on a not-for-profit basis of big social objectives through active investment of their economic, cultural, social and symbolic resources,' emphasising the *active* involvement of entrepreneurs in the search for opportunities to address economic and social inequalities. Defined in this way, our conceptualisation of entrepreneurial philanthropists resonates with Steyaert and Katz's (2004:182) suggestion that entrepreneurship can be found across multiple sites and spaces. As such, we argue that situated within the philanthropic arena, entrepreneurs make use of their significant wealth (economic capital), entrepreneurial know-how (cultural capital), know-who (social capital) and reputations or brand (symbolic capital) to create innovative solutions to deep-seated social problems. Distinct from Steyaert and Katz's (2004) discussion, however, is our interest in entrepreneurs who have amassed large personal fortunes within the setting of business or commerce *before* turning their entrepreneurial talents to philanthropy. We identify a history of entrepreneurial success – making significant money from enterprise – as a key feature of entrepreneurial philanthropy. We argue that when successful entrepreneurs engage in philanthropy they draw upon the totality of their resources – wealth, experience, connections and reputation – to effect economic and social change. This view accords with the various labels that abound in the literature to describe entrepreneurs who, when engaged in philanthropy, invest more than money and are prepared to take and manage risks: venture philanthropy (Letts et al., 1997), strategic philanthropy (Sandfort, 2008), creative philanthropy (Anheier and Leat, 2006), enterprising philanthropy (Dees, 2008) and philanthro-capitalism (Bishop and Green, 2008). However, we do not accept any of these representations uncritically, especially the emphasis given to the newness of the phenomenon, and adopt a more critical, tempered approach which, guided by business history research (Harvey et al., 2011), questions such novelty. We recognise a long history of entrepreneurs' involvement in philanthropy and that, echoing their historical peers, contemporary entrepreneurs in possession of vast wealth, connections and an awareness of the socio-economic and health problems created by structural inequalities, believe that multiple personal and social benefits can accrue from their active involvement in the redistribution of their wealth and alleviation of social distress.

Theoretical Perspectives

Business history and recent empirical research confirm that the participation of super-wealthy entrepreneurs in large-scale philanthropy involves more than the redistribution of their wealth

(Bishop and Green, 2008; Harvey et al., 2011; Schervish, 2003, 2005, 2008). Instead, it has been argued that contemporary entrepreneurial philanthropy involves the application of multiple forms of capital in the pursuit of resolving pressing social and economic problems. Conceived of in this way, we identify capital theory (Bourdieu, 1977, 1986, 1998) as an appropriate conceptual lens through which to analyse the philanthropic activities of present-day entrepreneurs. While concepts of capital are not new to the social sciences (Giddens, 2001), their application to entrepreneurship is a recent development with significance for the research field (Erikson, 2002; Firkin, 2003; Gorton, 2000; De Clercq and Voronov, 2009; Haber and Reichel, 2007; Shaw et al., 2008). Most entrepreneurship researchers cite the origins of the forms of capital involved in the entrepreneurship process as a development of the resource-based view of the firm (Brush et al., 2001). Gorton (2000), Firkin (2003) and De Clercq and Voronov (2009), however, provide more critical and persuasive accounts of the value of Bourdieu's (1986) perspective on capital for the study of entrepreneurship.

Bourdieu (1986) identifies individuals as possessing four types of capital: economic, cultural, social and symbolic. Economic capital includes all tangible and intangible forms of capital which can immediately and directly be converted into money. In addition to financial assets, economic capital includes tangible resources such as factories, plant and equipment, as well as intangible assets such as patents. Bourdieu (1986) conceives of three forms of cultural capital: *embodied* which refers to personal dispositions; *objectified* which takes the form of 'cultural goods' including books, pictures and instruments, and *institutionalised* which Bourdieu refers to as educational qualifications. Social capital is comprised of social obligations, connections, relationships and networks and is critical in providing access to information and resources and to bridging structural holes (Burt, 1992). Symbolic capital includes those signifiers that generate trust in others, for example, business partners, customers, employees and investors. This final form of capital operates silently yet has powerful effects, including legitimising entrepreneurs and engendering belief in their products and services within markets (Harvey and Maclean, 2008; Maclean et al., 2006). Significantly, Bourdieu argues that each form of capital is convertible from and into each other form of capital. For example, if an individual possesses high levels of cultural capital in terms of their education and experience, it might be expected that this will convert into high levels of social capital in terms of networks and contacts. Of all these forms of capital, Bourdieu (1986) argues that economic capital is especially relevant, as its possession can facilitate and leverage access to all other forms of capital which, individually and collectively, can enhance the agentic power of individual wealth holders (Maclean et al., 2006).

Applied to our study of entrepreneurial philanthropy, capital theory is relevant on a number of fronts. First, in the same way that Bourdieu highlights the particular relevance of economic capital for enhancing both access to other forms of capital and the power or agency of individual owners of capital, our definition of entrepreneurial philanthropy suggests that to become involved in large-scale philanthropy, entrepreneurs must already have acquired significant personal wealth over which they can exercise control, including its redistribution for social good. A current example of this is provided by Warren Buffett who has pledged to redistribute 99 percent of his vast wealth (Buffett, 2010), and who recently donated $31 billion to the Bill and Melinda Gates Foundation (BBC, 2011). Second is Bourdieu's emphasis on the convertibility of each form of capital; we suggest that entrepreneurial philanthropists' possession of vast amounts of personal wealth facilitates their access to significant amounts of all other forms of capital. As a consequence of this 'virtuous circle' of capital accumulation, Bourdieu argues that individuals can acquire abundant amounts of each form of capital such that they are elevated to a position within society from which they can command significant power and agency (Clegg et al., 2006; Maclean et al., 2010). Examples of contemporary entrepreneurial philanthropy illustrate both such entrepreneurs' possession of significant amounts of all forms of capital and their use of each of these when engaging in large-scale philanthropy. For example, Sir Tom Hunter has drawn upon a combination of significant personal wealth, social capital in the form of relationships with influential individuals including politicians, cultural capital signified by his success in establishing and growing hugely successful entrepreneurial ventures, and his resulting reputation as an eminently credible, legitimate entrepreneur to leverage additional financial and non-financial resources, and to negotiate and implement philanthropic interventions such as his involvement in the Clinton-Hunter Development Initiative. Third, as illustrated by this example, is the implication of capital theory that while highly significant for 'entry' into the philanthropic arena, economic capital alone is insufficient to accomplish large-scale philanthropy. Also necessary are the cultural capital acquired through education and, significantly we argue, through extensive experience of multiple instances of highly successful venture creation and growth; the social capital created by family, networks, memberships and relationships with influential groups and individuals who can provide access to further resources, emotional support and market information as well as bridge structural holes (Burt, 1992); and also the symbolic capital endowed upon such individuals as a consequence of their reputation, credibility and legitimacy as successful entrepreneurs.

This discussion highlights the relevance of using capital theory to frame a theoretically informed analysis of contemporary entrepreneurial philanthropy. It also identifies a number of interesting, but as yet unexplored, avenues for research. Primarily, given the absence of critical theoretical or empirical analysis of entrepreneurial philanthropy within the entrepreneurship research literature, we know little about contemporary entrepreneurial philanthropy beyond what a handful of largely US-based studies have revealed (Handy, 2006; Schervish, 2003, 2005, 2008). Both this research and business history literature (Harvey et al., 2011) indicate that when super-wealthy entrepreneurs engage in significant acts of philanthropy, they draw upon more than their vast personal wealth; they also make use of the cultural, social and symbolic capital at their disposal. There is also a scarcity of empirical research on entrepreneurs' motivation for engaging in large-scale philanthropy, and while we have identified a number of possible explanations, without detailed empirical analysis, firm conclusions cannot be drawn. Cognisant of these gaps, we now turn to the methodology employed to collect and analyse data from a purposeful sample of super-wealthy UK entrepreneurs currently involved in significant acts of philanthropy together with data collected from wealth advisors and those responsible for managing their foundation.

Methodology

This paper draws upon the initial findings emerging from analyses of a complex set of data contained in a larger database developed by the research team as part of a wider, on-going programme of research investigating contemporary individual and business giving. This database records information on UK philanthropists, drawn from seven different sources, after which a point of saturation is deemed to have been reached on each individual subject. It records data across numerous variables, including their demographics, class, religion, educational attainments, sources of wealth, known assets, core focus of philanthropy, key contacts, networks, distinctions and awards during the period 2007-2010. In addition, bibliographic files have been created for each individual listed on the database.

From this larger database, we have selected a purposeful sample (Easterby-Smith et al., 1991) of 100 wealthy entrepreneurs located within the UK, known to be engaged in philanthropy. Three criteria were used to identify the sample. First, individuals were identified as 'entrepreneurs'; that is, they had to have made their fortune from business ownership and enterprise or to have used inherited wealth to establish successful businesses. Borrowing from Bourdieu's (1986) definition of economic capital, our second criterion specified that in our census year of 2007, entrepreneurs had to possess a minimum personal wealth of £10 million. Our third criterion stated that entrepreneurs must have redistributed, by 2007, a minimum of £1 million. Having identified these individuals, we created a smaller, discrete database, using our theoretical framework to inform the selection of data which would allow us to consider the implications of their entrepreneurial capital for their involvement in philanthropy. To this end, we gathered details on the amounts they had redistributed, the vehicles used to channel their wealth, and the nature of the recipients of their philanthropy.

Bourdieu (1986) identifies an individual as possessing cultural capital by reference to a combination of qualifications, experience and cultural possessions (Maclean et al., 2006). Social capital has been variously defined, and entrepreneurship scholars tend to identify an individual's possession of and access to social capital as being dependent upon the size, contents and relational dimensions of his or her networks (Davidsson and Honig, 2003; Firkin, 2003; Maclean, 2008; Shaw, 2006). More recently, there has also been recognition within the entrepreneurship literature that social capital is essential if entrepreneurs are to become embedded within the field of business ownership and recognised as legitimate, credible players in their own right within the field (De Clercq and Voronov, 2009; Jack, 2010; Jack and Anderson, 2002; Shaw et al., 2008). Drawing on this, our database contains data on entrepreneurs' key relationships gleaned from textual analysis of media publications. The final form of capital with which we are concerned, symbolic capital, speaks of reputation, credibility and legitimacy (De Clercq and Voronov, 2009). Conceptually powerful, symbolic capital can be difficult to operationalise, and to date there have only been limited discussions of this form of capital within the entrepreneurship literature (cf. Shaw et al., 2008). As our research was restricted to analyses of publicly available data, we followed Maclean et al.'s (2006) procedure that symbolic capital can be identified by titles, honours and awards. While our database contained many fields and a significant amount of information on each of these 100 entrepreneurs, a limitation is that without having access to the total population of wealthy entrepreneurs located within the UK who are involved in philanthropy, detailed statistical analysis was not possible. Instead, any numbers cited below are used to provide a quantitative description of our purposeful sample (Siggelkow, 2007).

The quantitative focus of the dataset is complemented by evidence drawn from a series of 20 in-depth qualitative life-history interviews with entrepreneurial philanthropists, their wealth advisers, and those who manage their charitable foundations. The interviews were conducted by members of the research team, and averaged one-and-a-half to two hours in duration. Given the difficulties associated with accessing high net-worth individuals (Pettigrew, 1992), they were conducted during the period 2007-2011 as the opportunity arose, across the UK. The interviews proved especially illuminating, particularly given the relatively high proportion of entrepreneurial philanthropists who are found to be self made (see below), and whose forms of capital have therefore been subject to greater transformation over time than is likely to be the case with those whose wealth is largely inherited. Life-history interviews allow more complex social data to be captured and a more holistic picture to emerge with regard to individual subjects (Denzin, 2009). In particular, the interviews enabled the research team to capture some of the participants' own reflections on the multiple personal and social benefits which can accrue from their active involvement in wealth redistribution. In the next section, the individual forms of capital exploited by entrepreneurial philanthropists in pursuit of social good are discussed in turn as these emerged from our interviews. All interviewees are anonymised to preserve confidentiality.

Exploring Contemporary Entrepreneurial Philanthropy

Sample Overview

Table 1 below provides a summary of the demographics of the 100 entrepreneurs in our sample. As shown, most were aged between 46 and 65 (mean age = 60). This finding challenges recent research which has described contemporary philanthropists as young (Schervish, 2005; Handy, 2006), and might be explained in a number of ways. It may be that the criterion of possession in 2007 of a minimum personal wealth of £10 million restricted the inclusion of younger entrepreneurs who, while wealthy, may not yet have accumulated this degree of personal wealth. Alternatively, it may be that younger entrepreneurs involved in philanthropy attract disproportionate media attention because of their relative youth and possibly also the nature of their ventures. For example, it may be that younger dot.com entrepreneurs involved in high-profile philanthropy have aroused significant press attention despite possessing considerably less economic capital than their older counterparts. Table 1 also indicates that the majority were male (88). These figures reflect those of the wider entrepreneurial population, and are supported by research which has repeatedly found more business owners to be male than female, and for male business owners to be older than women business owners (Carter and Shaw, 2006; Labour Force Survey, 2009). To develop the demographic profile of our sample and provide greater insights into motivations for giving and the chosen targets of their philanthropy, data on place of birth and religious affiliations (when known) were also collected. Similarly, data on parents' occupations were collected, which we discerned to be important for considering any impact which inherited versus self-made wealth might have on entrepreneurs' engagement in philanthropy. We found that most of the sample was born within the UK with a wide geographic spread across all regions. Data on religious affiliation were available for just 28 entrepreneurs, amongst whom

Jewish (13) and Catholic (7) religions were more prevalent. Given this, interpretations of the implications of religious affiliation for entrepreneurial philanthropy were not possible.

[TABLE 1 HERE]

Data on parental occupation reveals that the majority of entrepreneurs in our sample are self made, as only a small number (6) had inherited considerable wealth. This finding concurs with figures which highlight the disproportionate contribution which high net worth individuals make to the £16.5 billion of annual UK giving. Figures provided by the Sunday Times Rich and Giving Lists have repeatedly indicated that many of the UK's wealthiest philanthropists are self-made millionaires. The Sunday Times Rich List (2009) indicates that of the UK's wealthiest 2000 individuals, only 39 (2%) inherited their wealth and that many of these used family wealth to establish and grow successful business ventures. Of the high net worth individuals involved in philanthropy, the Sunday Times Giving List (2009) reveals that 69 of the UK's 100 biggest givers are self-made millionaires. Similar analysis of Forbes lists of the wealthiest 400 Americans indicates that over various recent years, between 61% and 80% of those listed were business owners and, of those possessing inherited wealth, this was typically derived from businesses started by their parents or grandparents (Cagetti and De Nardi, 2006).

[TABLE 2 HERE]

Requiring entrepreneurs to have donated at least £1 million to qualify for inclusion in our dataset ensures that we are studying committed philanthropists. Of these, it was found that more than half (59) possess a formal vehicle for their philanthropy in the form of a foundation, of which 16 were established prior to 2000, with the longest-running established in 1972. Table 2 provides an indication of where entrepreneurs were found to direct their philanthropic investments. These figures reveal the concentration of philanthropic engagement directed towards education (targeted by 51 of our sample) and young people. Despite 28 of the sample having a publicly declared religious affiliation, only 10 entrepreneurs were found to have directed their philanthropy towards religious beneficiaries.

Economic Capital

A key criterion for inclusion in the database was that entrepreneurs should possess significant amounts of personal wealth, and no less than a minimum net worth of £10 million in 2007, as stated. Analysis of figures for personal wealth for 2008 established that all entrepreneurs included possessed significantly more than this amount, and that the mean net personal wealth stood at £268 million. However, it is important to note that this figure is likely to have been inflated by the 10% of the sample found to be billionaires. This aside, these figures reflect the vast amounts of money which contemporary entrepreneurs have been able to amass, and supports Bourdieu’s (1986) position that economic wealth is *the* master form of capital. The power and agency conferred by economic capital, as the primary form of capital from which all others derive, is articulated in the following extract from an interview with one entrepreneurial philanthropist:

> Being able to change things for the better is hugely fulfilling, and I suppose it has refocused our money making, because I don’t make money now for the sake of having more money; that is, those material goals have all now been satisfied. I am making money now for the Foundation which is a great motivator, and it has made us even more focussed to make money. [Tyrone, Entrepreneurial Philanthropist]

Here, the interviewee expresses the view that making money for others has inspired him to go on making more money. This statement encapsulates the popular aphorism that ‘money makes the world go round’, and highlights the dominance and potency of economic capital and the circular nature of capital conversion and transformation. The sections which follow present and interpret findings relating to other types of capital, and consider their relevance for contemporary entrepreneurial philanthropy.

Cultural Capital

Education has been identified as a critical measure of an individual’s cultural capital, and has been conceived of as an objectified, institutionalised and embodied form of capital (Bourdieu, 1986). Our analysis concentrated on institutionalised cultural capital; the array of qualifications displayed in Table 3 suggests that accumulating cultural capital is important to our sample. De Clercq and Voronov (2009) argue that institutionalised cultural capital ‘refers to certifications and credentials that recognize and display certain kinds of knowledge and abilities deemed valuable within a particular field’ (p.400). Further analysis of qualifications by institution finds that a majority of undergraduate degrees (25) and all doctorates (4) were awarded by the Russell Group of research-intensive universities, and that 8 MBAs were awarded by Ivy League schools, principally Harvard (7). Building on De Clercq and Voronov’s (2009) definition of institutionalised cultural capital, this might be interpreted as suggesting that entrepreneurs possess institutionalised cultural capital in the form of business qualifications which were initially relevant to the field of entrepreneurship and subsequently to their involvement in entrepreneurial philanthropy. Perhaps most interesting are the implications of these findings regarding the quality of awarding institution. Given the convertible nature of different forms of capital (Bourdieu, 1986; Firkin, 2003), it may be that a concentration of Russell Group and Ivy League awarding institutions contributes to the social (contacts made at university) and symbolic (reputations and credibility associated with attending a prestigious institution) capital possessed by entrepreneurs.

[TABLE 3 HERE]

Prior research has indicated that the possession of large amounts of cultural capital in the form of relevant experience and education can impact positively on the entrepreneurship process (Boden and Nucci, 2000; Davidsson and Honig, 2003). Contained within the database is information regarding entrepreneurs' career paths and involvement in business ownership. Analysis finds evidence of 39 entrepreneurs being involved in serial and/or portfolio entrepreneurship, with many being involved in both. Serial and portfolio entrepreneurship is indicative of entrepreneurs' enthusiasm for engaging in the entrepreneurship process, particularly new venture creation. High levels of experience of entrepreneurship are likely to have significant implications for the other forms of capital possessed by and available to entrepreneurs, and may also have implications for their entry into the philanthropic field. One proposition is that successful serial and portfolio entrepreneurs may find that the transition into philanthropy is lubricated by their significant, relevant experience of the process of entrepreneurship, particularly experience of identifying and implementing innovative and sustainable solutions to complex business scenarios. In this way, they bring their experience of entrepreneurship to bear on their philanthropic endeavours, as one entrepreneur explains: 'our funds are relatively modest, but we would like to try and use them in a sort of leverage type of basis… it is similar to the way we are running our businesses' (Kevin, Entrepreneurial Philanthropist) . From such investments, moreover, they expect to secure the same high level of return as for a business, as the following excerpt clarifies:

> It is really being the engaged funder throughout the process; that it isn’t done once you have written the cheque. So that is a big piece of our thinking… We, in applying the business principles... we expect a return. We only want you to do the ones that have the highest value, and it is a real mindset change in the way that we work with organisations, and in how we think about what we are going to invest in. [Janice, Co-founder and CEO, Philanthropic Foundation]

As an ‘engaged funder’, the interviewee emphasises that she expects ‘a return’. Closely related to the expectation of a return is a concern for philanthropy to be impactful. As the same interviewee emphasises, ‘It is really about impact… it’s very much driven by a belief about marrying business principles with some very important understanding around development’. This is indicative of a move away from simply writing cheques in favour of measuring the actual success of philanthropic activities, towards greater performance and accountability in entrepreneurial philanthropy, in order to intensify its impact and so make it more ‘transformative’. All our interviewees, without exception, voiced their desire to ‘make a difference’ through their philanthropic engagement.

Social Capital

Initial analysis of entrepreneurs’ key relationships finds that all entrepreneurs have one or more relationship with a person of influence, and an average of three important contacts. We define a person of influence as a person holding a position of power within their respective field, and analysis reveals that critical contacts are concentrated in the fields of politics (51 contacts across the sample) and philanthropy (27 contacts). Interestingly, the leaders of all three major UK political parties are identified 24 times, and several high-profile, globally powerful individuals, including Bill Clinton, Nelson Mandela, Kofi Annan, Tony Blair and Archbishop Desmond Tutu, also feature as key contacts. These figures provide some insight into the range of contacts nurtured by entrepreneurs. Network theory (Mitchell, 1969) identifies range as the heterogeneity of contacts within an individual's network, while Granovetter's (1985) perspective on embeddedness suggests that the 'ideal' network position for an entrepreneur is to be embedded within a weakly connected, diverse range of networks. These contacts provide access to a wide range of resources. Initial analysis of key contacts by range reflects diversity, embracing figures from entertainment, business, finance, media, sport, education, environment and the arts, but also reveals a concentration within the fields of politics and philanthropy. Viewed through the lens of capital theory, the concentration of political and philanthropic contacts suggests that by developing social capital within the field of philanthropy, entrepreneurs purposefully seek to accumulate significant symbolic capital which enhances their agency and capacity to 'make a difference'. This also recognises the hierarchical relationship between different fields (Bourdieu, 1986; De Clercq and Voronov, 2009); suggesting that, as entrepreneurs move through the philanthropic field, they seek to form relationships with agents holding powerful positions in higher order fields, principally politics. Key contact data was also analysed to identify the number of entrepreneurs mentioning others on the database amongst their key contacts. Initial analysis of this specifies 19 entrepreneurs as sharing an important relationship with at least one other entrepreneur. This figure is interesting, as it conveys the density of the networks in which entrepreneurs included in our database are embedded. This suggests that UK entrepreneurial philanthropists may be well known to one another, reflecting perhaps an elite group of ultra wealthy individuals with agency in the fields of entrepreneurship and philanthropy.

Analysis of primary contacts indicates that entrepreneurial philanthropists are aware of the value of 'know-who'. The concentration of key contacts classified as influential within the fields of politics and philanthropy implies that entrepreneurs recognise that success in the field of philanthropy requires deployment of a combination of economic and social capital. As one interviewee expressed it:

> It just seemed to me that this was a business head saying, right, by partnering with the best I am taking a shortcut; I am cutting down a whole load of learning as the learning is all there. I am partnering with one of the best people in the world. [Tyrone, Entrepreneurial Philanthropist]

The interviewee exhibits an acute awareness of the importance of 'know-who', seeking to embed himself within the field of philanthropy by strategically aligning himself with powerful political and philanthropic allies, which attract further cultural and symbolic capital, while simultaneously 'standing out' (De Clercq and Voronov, 2009) through a distinctive approach to sustainable socio-economic development. This challenges the suggestion that the legitimisation of an individual in a field is not a result of 'deliberate planning' but, rather, a consequence of 'the interplay of every day practices and the social context' (De Clercq and Voronov, 2009: 401). The evidence gleaned from our interviews suggests, on the contrary, that such strategic behaviour derives from, as the above extract specifies, 'a business head' assuming a business-like approach. At the same time, the exploitation of social capital in the philanthropic field leads to further business opportunities, which otherwise might not have arisen:

> There are people that I meet through philanthropy who we've done business with that we would never have met if it was a purely business relationship, and there is a huge interest in philanthropy, and therefore it opens a lot of business doors for us as well. [Tyrone, Entrepreneurial Philanthropist]

Here, the interviewee points out that philanthropy serves to open 'business doors', underlining the transformative, circular nature of capital in generating further business opportunities to exploit. This generally remains couched and implicit, however, as the following observation from a wealth adviser suggests:

> We hope that by building strong relationships they will do more business with us, but we don't talk about any sort of specific business with them. [Marjorie, Wealth Advisor]

Symbolic Capital

As indicated in Table 4, we found entrepreneurs to possess significant amounts of numerous types of symbolic capital, with 40 having received various honours and 19 holding at least two such distinctions. In addition, a high number held honorary doctorates and fellowships. Education is a primary beneficiary of philanthropy. Recognising that the symbolic value of distinctions, fellowships, honorary degrees and awards is likely to be specific to the value which they realise within particular fields, business awards (52) and specific awards for philanthropic activities, such as the Beacon Prize and the Andrew Carnegie Medal for Philanthropy, are likely to be of particular symbolic relevance. Considered collectively, the indicators of symbolic capital presented suggest that entrepreneurs in our database are regarded as credible agents within the field of business ownership, and recognised as significant players within this field.

[TABLE 4 HERE]

Our research suggests that such legitimisation matters to entrepreneurial philanthropists; that they are self-conscious about wishing to be recognised as rounded individuals who share the fruits of their success with others, ‘giving back into the community from which we had profited’ (Tyrone, Entrepreneurial Philanthropist), as opposed to selfishly pursuing narrow business interests for material and financial gain (Maclean et al., 2012). Another interviewee spoke of the transition he had undergone through his engagement in philanthropy to becoming ‘a more rounded person’:

> It is something that I was very guilty of in my previous business, was living and breathing [the business], and everything revolved around it and you know it just doesn’t. So it probably comes from being a more rounded organisation, a more rounded person – less selfish perhaps. [Kevin, Entrepreneurial Philanthropist]

Another interviewee likewise gives voice to the ethics of selflessness:

> I think excessive consumption and excessive wealth are both pretty distasteful. If you have got excessive wealth and you are doing something with it, then it becomes excusable. [Arthur, Entrepreneurial Philanthropist]

Irrespective of the array of symbolic rewards displayed above, we argue that engagement in the philanthropic field generates significant symbolic capital *sui generis*, such that, as the above extract articulates, excessive wealth 'becomes excusable'. As a prized form of the most sought-after capital which crowns the other three, such legitimisation appears almost priceless. As one foundation CEO explained at interview:

> Subtly I am trying to figure out what recognition they are looking for… It is very difficult to ask that up front. Some people are very clear about it, for example, [entrepreneurial philanthropist] and his programme, I am 99% certain that as much as he is proud of what he is doing, I don't think he would say that he is in it for recognition, however, through this whole process he is being OBE'd, so there is a consequence. [George, CEO, Philanthropic Foundation]

Conclusion

This paper has sought to contribute to a theoretical understanding of contemporary entrepreneurial philanthropy by considering the relevance of capital theory (Bourdieu, 1986; Erikson, 2002; Firkin, 2003; Gorton, 2000; Harvey and Maclean, 2008) allied to Bourdieu's (1977, 1986, 1998) approach to practice. From this standpoint, the paper has also sought to contribute to an emerging understanding of the present-day relationship between wealthy entrepreneurs and philanthropy by presenting a discussion of the various forms of capital possessed by 100 UK entrepreneurs known to be significantly involved in philanthropy; and considering the implications of the approach adopted by them. We suggest that capital theory is a valuable framework for analysing the economic, cultural, social and symbolic resources possessed by these entrepreneurs, helping to enhance our understanding of the means by which entrepreneurs deploy the capital acquired through their involvement in business to enter and become embedded within the field of philanthropy. While recognising a long history of entrepreneurs' involvement in philanthropy, our findings indicate that contemporary entrepreneurs are seeking to be increasingly impactful through their charitable giving, and more exacting about the measurement of its success, while simultaneously extending their reach further afield to target complex socio-economic development problems.

Our findings also imply that, despite the considerable wealth possessed by the entrepreneurs in our sample, this on its own is insufficient, and that their involvement in global social change is made possible by possession of other forms of capital. It may be that what distinguishes entrepreneurial philanthropists from other actors in the philanthropic field is their individual agentic power, as determined by their own capital wealth acquired through and enriched by their engagement in entrepreneurship. There is an evident interplay between different forms of capital. Having significant cultural capital appears particularly relevant to their entry into the field of philanthropy. The elite nature of the awarding institutions which many of them have attended has implications in turn for the degree of social and symbolic capital they possess. Recognising that entrepreneurs must also acquire legitimacy in order to be regarded by other key players as credible agents in the philanthropic field (Aldrich and Fiol, 1994; Zott and Huy, 2007), our findings indicate that symbolic and social capital are heavily intertwined in the process of entrepreneurial philanthropy. The convertible, circular nature of capital (Firkin, 2003; Harvey and Maclean, 2008) suggests that by becoming involved in the philanthropic field, the capital possessed by entrepreneurs will be further enhanced, in conjunction with their agency and power within the overlapping fields of entrepreneurship and philanthropy in which they are embedded. As one interviewee confirmed, the networks acquired through his engagement in philanthropy had attained almost global dimensions, constituting a powerful repository of social capital at his disposal: 'I guess we are networked almost globally now with our philanthropy, where we are not with our business, and therefore that is a very powerful and valuable network' (Tyrone, Entrepreneurial Philanthropist). Support for this conclusion is provided by the suggestion that one explanation for entrepreneurs' engagement in philanthropy are the opportunities which this affords them to become part of an elite, powerful global group (Harvey et al., 2011; Harvey and Maclean, 2008; Maclean et al., 2010; Maclean et al., 2006; Ostrower, 1995).

This paper contributes to the growing debate and discourse within the entrepreneurship literature concerning the nature of entrepreneurship, and to the sparse empirical analyses of entrepreneurial elites. We have shown that entrepreneurs who are deeply embedded within the field of business ownership acquire further social capital by strategically building alliances with individuals occupying positions of power when entering the field of philanthropy. As such, this discussion challenges the view that such entrepreneurs work independently, isolated from others within their environment. Moreover, the identification of 100 highly successful, ultra wealthy entrepreneurs who have become actively engaged in philanthropy might challenge the view of entrepreneurs as profit-maximising individuals focused on generating and maintaining significant quantities of personal wealth; as one interviewee observed, his engagement in philanthropy had given him 'a fuller life, a more satisfying life and more interesting life'. Alternatively, it may be that while engagement in philanthropy provides super-wealthy entrepreneurs with broader and more interesting perspectives on life and the significant economic, social and health problems created by unequal wealth distribution, it is also possible that their engagement in philanthropy is equally driven by an awareness of personal and wider societal benefits which can accrue from attempts to distribute their wealth more fairly. Our paper queries the motivations of entrepreneurial philanthropists, while suggesting that the desire for legitimisation remains a powerful underlying driver. Recognising this, we recommend that detailed, qualitative primary research is required to shed further light on the complex and multiple reasons why wealthy entrepreneurs engage in philanthropy.

The limitations of the paper include the fact that, as stated, detailed statistical analysis was not possible due to the purposeful nature of our sample. Only UK entrepreneurial philanthropists, moreover, are included in the study; cross-national comparative studies might provide a valuable means of building upon the ideas presented here. To this end, we intend our future work to be oriented towards collecting internationally comparative data. It will also be fruitful for further research to explore more fully the processes at work when entrepreneurs enter the field of philanthropy and seek to acquire positions of power, including those related to agency, field and habitus. Similarly, the motivations for involvement in highly engaged philanthropy require closer and more critical consideration. Our ultimate goal is to articulate clearly the two-way relationship that we believe to exist between entrepreneurship and philanthropy. Recognising this, opportunities for empirical investigations of contemporary entrepreneurial philanthropy are presented.

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Table 1: Sample Demographics

Demographics	**N = 100**
Age	
<46	10
46-65	57
66+	23
Gender	
Male	88
Female	12
Place of birth	
England: London & S.E.	20
England: all other regions	15
Scotland	17
Wales	1
Europe (non UK)	5
Non European	10

Table 2: Philanthropy by Field*

Sector	No.
Education	51
Young people	37
Science, health and medicine	21
Social welfare	19
Culture and sport	16

* A minority of the 100 philanthropists target more than one field.

Table 3: Educational Qualifications of Philanthropists

Highest Qualification	N = 100
None	25
Undergraduate degree	52
Master of Business Administration	13
Other Masters' degree	6
Doctor of Philosophy	4

Table 4: Titles, honours and awards*

Type of award	**No.**
Knighthood	13
Commander of the Order of the British Empire (CBE)	11
Officer of the Order of the British Empire (OBE)	13
Member of the Order of the British Empire (MBE)	3
Honorary Doctorates	44
Russell Group Fellowships	10
Beacon Prize Winners	3
Business Awards	52
Awards for Philanthropy	8

* Several of the 100 philanthropists hold multiple awards.