Nonprofits and Social Entrepreneurial Ventures

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SUBJECT(S): Entrepreneurship

GRADE LEVEL(S): 9, 10, 11, 12

OVERVIEW:
In this lesson, students learn to distinguish between a nonprofit and a social entrepreneurial venture. After a brief discussion on nonprofits, students read a Knowledge@Wharton article and use it to define a nonprofit and to identify differences and similarities between nonprofits and social entrepreneurship. Students ultimately develop a nonprofit that combines elements of social entrepreneurship.

NBEA STANDARD(S):
- Entrepreneurship, I. Entrepreneurs and Entrepreneurial Opportunities

RELATED ARTICLES:
- “Teen-led Businesses Tackle the Problem of Food Waste”
- “Social Entrepreneurship Spotlight: The Face Inside Your Coffee Cup”
- “Philanthro-teen Shannon McNamara: Educating Girls in Tanzania”
- “Nonprofits Are Changing the World — With a Little Help from the Next Generations”
- “ManCans Founder Hart Main Is Well Prepared for College Life”
- “Grassroots Goal: HIV Prevention on the Soccer Field”
- “Future of the Business World: Cool Sneakers and ‘Creative Destruction’ with Jiro Noor”

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Common Core Standard(s): Key ideas and details, knowledge of language.

Objectives/Purposes: In this lesson, students will learn the differences and similarities between a non-profit and a social entrepreneurial venture.

Knowledge@Wharton Article: “Many NonProfits Now Combine Social Mission with For-Profit Mentality”

Activity:

1. Begin with a fun, icebreaker activity. Make a list of non-profit organizations and write their names on post-it notes. You should have one post-it note for each student in your class, and you may repeat the names of the non-profits if you have a lot of students. Put one post-it on the back of each student without them seeing the name of the non-profit organization. The point of the exercise is to have the students go around asking yes or no questions only about what their non-profit organization does from other students so that they can guess the name of the organization on their back. Give students 5-10 minutes to go around asking other students and then have each student tell what they found out about their non-profit and have them guess what its name might be.

Examples of non-profits include:

- Sesame Street (children’s programming)
- Red Cross (disaster relief)
- Livestrong (cancer)
- Susan B. Komen Pink (breast cancer)
- Amnesty International (human rights)
- The University of Pennsylvania (education)
- Peta (animal rights)

An example of a question a student might ask could be: Does my non-profit help children?
After time is up and students guess the name of the non-profit on their back, explain what that non-profit does.

2. **(15 mins)** Now that students are familiar with some examples of non-profits, have them learn more about what a non-profit is and how they differ from and are similar to social entrepreneurial ventures. Have students read the article: “Many NonProfits Now Combine Social Mission with For-Profit Mentality,” and have them create their own definition of a non-profit based on the article. Let them make a list of the similarities and differences between a social entrepreneur and a non-profit. After students are done reading the article and taking notes, go over the students findings. Ask them how they would define a non-profit and what the differences and similarities are between social entrepreneurship and a non-profit. They should include:

- **Differences:**
  - Social entrepreneurs bring original ideas/innovation to social problems.
  - People doing non-profit work are not necessarily doing social entrepreneurship.
  - In the non-profit sector, people usually have a genuine passion because they are not likely to be getting paid very much.
  - Non-profits are usually very dependent on donations, only rarely earn their own income.
  - Social entrepreneurial ventures seek to earn an income, profit.

- **Similarities:**
  - Not necessarily trying to make money or create a new product.
  - Both need to be run as a business.
  - Earn income.
  - Seek to maximize returns either to shareholders or community as a whole.

Also, go over the various ways non-profits generate revenue and the diversity of non-profits. You may want to ask students why it is important that non-profits are run like a business.

2. Now that students have a better understanding of what a non-profit is and how they may be organized, have them list the general problems that non-profits try to help with (literacy, health, emergency, environment, etc…). Group students based on their interest in the fields they have mentioned. Then let each group develop a non-profit to aid some aspect of society. Tell them that the non-profit they develop must meet the following criteria:

- It must have a built-in revenue stream.
• It should include creative and innovative elements of social entrepreneurship (offering a product or service).

Have each group share their thought processes while building their non-profit organization.

**Tying It All Together:** It is likely that students trying to understand what social entrepreneurship is may think it is the same thing as a non-profit. It gets tricky because while a non-profit may be run like a social entrepreneurial venture, they are different. This lesson highlights the differences while also pointing out some important similarities.

**Practice Outside of the Classroom:** Tell students that working with a non-profit is a great way to learn how to run one. If any of the students are interested in this line of work, remind them that non-profits are always looking for volunteers!

**What Worked and What I Would Do Differently:** For the opening icebreaker activity, you should expect that most students will not know of any non-profits, which makes asking questions or even guessing very difficult for them. Be prepared that they will have no clue what non-profit has been assigned to them, but encourage them to make a guess anyway and be ready to explain what that non-profit does. The activity is still a fun way to introduce students to famous non-profits as well as the diverse range of services and needs that non-profits meet. I found that my students still enjoyed the activity even though they complained that they did not know of any non-profits. Furthermore, they were surprised to learn that some organizations they had heard of were non-profits.