

## Press Release

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4.30.2008 - 04:30pm ET

Press release from: The Aspen Institute

### Report Urges New Role for Government in Solving Social Problems

The Aspen Institute and Root Cause release new findings to drive public innovation, advance social entrepreneurship

[\(CSRwire\)](#) WASHINGTON, D.C. - April 30, 2008 - The Aspen Institute and Root Cause today released a report, ***Social Entrepreneurship: Recommendations for Policy Makers and Government Agencies***, that explores a new role for government in addressing social and economic problems. The report is part of Root Cause's newest initiative, Public Innovators ([www.publicinnovators.com](http://www.publicinnovators.com)), which includes an online forum and resource guide for public officials, nonprofits and other changemakers seeking to build effective and sustainable solutions to the nation's most difficult social problems. The report is also available at [www.aspeninstitute.org](http://www.aspeninstitute.org).

The federal government spends more than \$1 trillion per year trying to resolve domestic social challenges, part of which goes to more than 850,000 registered 501(c)3s. Recently, social entrepreneurship has emerged as a powerful new approach to filling social and economic gaps, as organizations that exhibit social innovation, accountability and sustainability combine business principals with their passion for social impact. So far, however, collaboration between government and social entrepreneurs has been limited.

"Working together more strategically represents a yet-to-be-harnessed opportunity for government leaders striving to solve social problems," said author of the paper **Andrew Wolk**, Founder and CEO of **Root Cause and MIT Senior Lecturer in Social Entrepreneurship**. "By adapting some of the same strategies that have successfully fostered U.S. entrepreneurialism, government leaders have a similar opportunity to support social entrepreneurship—thus generating transformative, financially sustainable solutions to social problems facing the nation."

The report includes findings about the link between social entrepreneurship and government, specific case examples, and five recommended roles for government leaders seeking to unleash the power of innovation and entrepreneurship in social problem solving. It also outlines 13 specific recommendations and models that help illustrate how such partnerships can be carried out. Highlighted recommendations include:

- Creating the structure for a public-private social innovation fund, modeled after the Small Business Investment Company (SBIC) and Venture Philanthropy/Social Venture Capital
- Establishing institutions that support social entrepreneurship modeled after the first ever office of Social Entrepreneurship started in Louisiana

"Partnerships between government leaders and social entrepreneurs will be the catalyst for enduring solutions to some of America's toughest social and economic problems," said Walter Isaacson, President and CEO of the Aspen Institute. "We join Root Cause in advancing this important discussion, and we hope others will also hear the clarion call."

The report was formally released at a roundtable held on April 29 at The Aspen Institute in Washington, D.C. featuring a panel of distinguished experts:

- **Walter Isaacson** - President and CEO, Aspen Institute
- **Jane** - Director of the Nonprofit Sector & Philanthropy Program and Vice President of Philanthropy & Society, Aspen Institute
- **Louisiana Lieutenant Governor Mitch Landrieu** - Founder of the nation's first Office of Social Entrepreneurship
- **Andrew Wolk** - Founder and CEO, Root Cause and Senior Lecturer in Social Entrepreneurship, MIT
- **Katherine Freund** - Founder, President and Executive Director, ITNAmerica
- **Michele Jolin** - Senior Fellow, Center for American Progress
- **Frederick Hess** - Resident Scholar and Director of Education Policy Studies, American Enterprise Institute

While the report and roundtable explored untapped opportunities, some government leaders are already beginning to see success at the state level. In February 2007, Louisiana Lt. Gov. Landrieu (D) established the first state Office of Social Entrepreneurship. In Virginia, the Phoenix Project has partnered with high level government officials to encourage social entrepreneurial solutions that will reduce poverty in the state. Most recently, Governor Rick Perry (R) and the One Star Foundation are planning and implementing similar opportunities in Texas.

"It is not that government is too small or too big; it needs to work better," said Lt. Gov. Landrieu. "We need to find new ways to solve old problems, and social entrepreneurship offers us that opportunity."

Root Cause has pioneered research to support these new approaches and is advising the Louisiana Office of Social Entrepreneurship as it launches its pilot program. Two additional reports authored by Wolk are available on the Public Innovators website, which will serve as clearinghouse for research and best practices as well as an advisor to government initiatives seeking to better support social entrepreneurship. For more information and to download Root Cause's publications, visit [www.rootcause.org](http://www.rootcause.org) or [www.publicinnovators.com](http://www.publicinnovators.com).

The Aspen Institute's work on social entrepreneurship began with a 2004 study of the innovative strategies used by hybrid nonprofit and for-profit entities to address community challenges at the local, state, and national levels. Since then, the Aspen Institute has engaged the field in discussions, published a book and numerous briefing papers, and began research focusing on new legal forms and tax structures for social enterprise as well as specific models of capitalizing social enterprise and on social businesses bought by multinational corporations. For more information and to download Aspen's publications, visit [www.aspeninstitute.org/nspp](http://www.aspeninstitute.org/nspp) or [www.nonprofitresearch.org](http://www.nonprofitresearch.org)

#### **About Root Cause:**

Root Cause is a nonprofit organization that advances enduring solutions to social & economic problems by supporting social innovators & educating social impact investors. Public Innovators is a new Root Cause initiative that introduces policymakers and government agencies to social entrepreneurship and guides them in identifying and advancing innovative, results-oriented solutions to pressing social problems.

#### **About the Aspen Institute's Nonprofit Sector and Philanthropy Program:**

The Aspen Institute is an international nonprofit dedicated to fostering enlightened leadership

and open-minded dialogue. A program of The Aspen Institute, the Nonprofit Sector and Philanthropy Program seeks to improve the operation of the nonprofit sector and philanthropy through research, leadership, and communications initiatives focused on critical nonprofit issues.

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