

EEI Position Paper: Entrepreneurship for All

The role of entrepreneurs in America has always been the backbone of our economic system. However, when considering its path through history, there has been few public or private sponsored initiatives to enhance the entrepreneur's potential for success and, thus, contributing to the greater good. It has always been the entrepreneur's own hard work and vision that has open new doors, ideas and paradigms propagating an exponential gathering of more creative economy opportunities.

Unfortunately, as much as we highlight those entrepreneurs who deservedly captured the spotlight, we also know that the large majority of entrepreneurs never survive beyond five years starting in the third year when more than 60 percent either die or begin their final descent into the dark abyss.

While entrepreneurship education has exploded at the nation's university level, going from 250 courses in 1985 to well over 5,000 by 2010, that increase has done little to forge an inclusive social renaissance benefitting youth, the inner-city poor, the unemployed and the age-discriminated older worker.

And Still the Divide Grows

Instead, what we are seeing presently is the largest segregation of the haves and have-nots in American history. According to Richard Florida, author of *The New Urban Crisis* (Basic Books, 2017), the top one percent of wage earners has captured a staggering 85 percent of all new income growth since the 2008 recession while the leftover 15 percent is shared by the remaining 99 percent.

This has meant that the vast majority of Americans, especially in so-called "supercities" and "knowledge hubs" such as the San Francisco Bay Area, cannot afford the rising expenses of living under the present system of economics. This is because these supercities - concentrated with leading edge technologies and vast financial resources - require those with highly specialized technical and financial skills compiled through expensive, advanced education and experiences. On average, the top five percent of wage earners in this group for the San Francisco-Oakland-Hayward area, are making \$353,483 per year in comparison to those at the 20 percentile making just \$31,761.

With such a dramatic difference in wages, the wealthiest are causing havoc in the cost-of-living for everyone else especially in housing, education and health care. In no time in history has the welfare of such a large majority found itself in potential crisis mode. And with the Trump/Republican agenda for fiscal cuts to the domestic budget, we may yet to see the worst to come.

What Can Entrepreneurship Education Do?

Obviously, there is a disconnect between the dialogue of economic prosperity and the realities of the average citizen particularly here in our region. While the options may

seem limited in leveling the playing field, we can make a small dent in correcting the inequalities. Historically, the lessons of entrepreneurship have played a dynamic “disruptive” role with the potential of building a more just economic system that is:

- Less dependent of the “supercity/knowledge hub” influences
- Controlled with more autonomy by the entrepreneur and the community
- Access to knowledge that is transferable to those left out of the prosperity system.

Now, more than ever, entrepreneurship education needs to take the leadership in helping our working populations navigate a road that can lead to self-determination and self-direction. Through imitation, innovation and disruptions within an economic system that, at best, seems broken and at worst, segregated, we can frame our entrepreneurship education to serve those in our communities with the greatest financial needs.

Additionally, we face more challenges in work than ever before. The rights and benefits of a working population just a generation ago no longer exists. The US Bureau of Statistics has quantified these changing conditions through their never-ending research. In 2012, the bureau had projected that by 2020, 40 percent of the working population would be self-employed (this includes contractors). In 2017, the bureau announced the 40 percent figure had been reached. The Freelancers Union in New York projects by 2020, we’ll be 60 percent self-employed. By whatever name, these are all entrepreneurs. No longer is entrepreneurship education an option or luxury, it is mandatory. That is the key message.

Our Role as Entrepreneurship Educators

Our organizations have worked separately, perhaps due to niche focus and perhaps due to the competitive nature of funding. Yet we all came together because we have witnessed the transformative power of entrepreneurship training on our students and our clients.

While we should continue to compete in advancing better products, services and methodologies, we must build a group dialogue under an umbrella group such as the Entrepreneurs Education Initiative to create awareness of our work, both on the importance of entrepreneurship education and the work of our individual organizations.

Secondarily, this initiative needs to make the public aware of the universal capabilities of entrepreneurship to our society and to the economy, not just at the macro level but at the personal level, so that more people understand the mandatory nature entrepreneurship has on their working careers.

(As an example, the Marin Economic Forum in 2010 conducted a study in Sonoma County of new locally-based companies and their impact on the local economy. Their findings showed that for every new job created by a company, at least 1.5 other new jobs were created to as many as seven other jobs. This resulted in more local spending, developed a stronger tax base, more home ownership – thus, increasing property taxes - and funded more public services. A similar study by the Los Angeles Economic Development Agency found identical results.)

The goals in all this will be communities that can become more self-sustainable; funders and investors who will finally realize the exponential benefits that entrepreneurship training has on society and individuals who will have the compass to maneuver through whatever the future holds.

We may be a bit biased in our views on entrepreneurship training but there is no bias in the statistical facts showing entrepreneurs create more jobs, more taxes, more property ownership and the power to equalize the playing field better than any other economic force.