



ENTREPRENEURSHIP EMPOWERS EVERYONE

A Proposal for Entrepreneurial Skills Building

by

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Jobs, jobs, jobs! Just what is a job?

"A JOB IS WORK THAT NEEDS TO BE DONE...that someone will pay you to do!"

More than 20 million Americans know that owning their own business does not mean that they are the "BOSS." In fact, the CUSTOMER is the boss because when the customers' wants or needs aren't satisfied a business will generally "fail". Just ask the manufacturers of buggy whips!

Of course that is why we have such respect for marketing expertise. Marketing is about finding and keeping customers – about staying ahead of the competition. The free enterprise system allows millions of American entrepreneurs to create businesses that deliver the products and services that satisfy the needs of their chosen customers. By taking into account pricing, packaging, promotion, and method of distribution, the entrepreneurs assure their businesses are competitive and profitable.

Our economic system allows anyone with a special idea and the drive to make that idea come to life to join the army of U.S. entrepreneurs. When new ideas arrive in the marketplace we often find increased competition...and the best ideas with the best marketing strategies win the customers. This reality makes the CUSTOMER THE BOSS because their needs must be satisfied if an entrepreneurial endeavor is to survive.

This proposal is about recognizing that entrepreneurship is the force that created the strongest economy in the world and needs champions now. The skills connected to making the "right decisions" for entrepreneurial success can and should be experienced and learned throughout education. It must also be recognized that entrepreneurial skills can be used in any workplace, not just when operating one's own business.



Background on the American Economy

Although some would believe that large companies drive the American economy, in reality small entrepreneurial businesses are its strength. According to the Small Business Administration (SBA), small businesses are critical to the U.S. economy because they:

- Represent 99.7 percent of all employer firms.
- Employ about half of all private sector employees.
- Pay nearly 45 percent of total U.S. private payroll.
- Have generated 60 to 80 percent of net new jobs annually over the last decade.
- Create more than half of nonfarm private gross domestic product (GDP).
- Hire 40 percent of high tech workers (such as scientists, engineers, and computer workers).
- Are 52 percent home-based and 2 percent franchises.
- Make up 97.3 percent of all identified exporters & produced 28.9 percent of known export value in FY 2006.
- Produce 13 times more patents per employee than large patenting firms; these patents are twice as likely as large firm patents to be among the one percent most cited.

According to estimates from the SBA Office of Advocacy, in 2007 there were 27.2 million businesses in the United States. This represented a net increase of almost 3% over the 26.4 million businesses that, according to Census data, existed in 2005. Small firms with fewer than 500 employees represent 99.9 percent of the 27.2 million businesses.

Small businesses employ about half of U.S. workers. Of 116.3 million nonfarm private sector workers in 2005, small firms with fewer than 500 workers employed 58.6 million and large firms employed 57.7 million. Firms with fewer than 20 employees employed 21.3 million. While small firms create 60 to 80 percent of net new jobs, their share of employment remains steady since some firms grow into large firms as they create new jobs.

<http://web.sba.gov/faqs/faqindex.cfm?arealD=24>

Source: U.S. Dept. of Commerce, Bureau of the Census and International Trade Administration; Advocacy-funded research by Kathryn Kobe, 2007 (www.sba.gov/advo/research/rs299tot.pdf) and CHI Research, 2003 (www.sba.gov/advo/research/rs225tot.pdf); Federal Procurement Data System; U.S. Dept. of Labor, Bureau of Labor Statistics.

Many educators are hesitant to encourage their students to consider careers as entrepreneurs because of the potential for failure. Certainly their hesitancy could be justified as the following statistics show:



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Starts and Closures of Employer Firms, 2003–2007					
Category	2003	2004	2005	2006	2007
New Firms	612,296	628,917	644,122	640,800e	637,100e
Closures	540,658	541,047	565,745	587,800e	560,300e
Bankruptcies	35,037	34,317	39,201	19,695	28,322

e = Advocacy estimate. For a discussion of methodology, see Brian Headd, 2005 (www.sba.gov/advo/research/rs258tot.pdf).

Source: U.S. Dept. of Commerce, Bureau of the Census; Administrative Office of the U.S. Courts; U.S. Dept. of Labor, Employment and Training Administration.

However, it must also be recognized that most successful entrepreneurs failed at least once and then went on to great success. Even Henry Ford needed three chances to invent the Model T. As educators we must stress failure is not the problem, and should not be feared. The problem is not learning from those failures and missing out on your opportunities.

What Does this Data Say to Education Leaders?

First, we must get beyond the myth of how often small businesses fail. . . and deal with the reasons for closures. They may close but they don't go bankrupt at alarming rates. Often what is called "failure" is really just a change in direction. In fact, what we know is that many closed because the entrepreneur made the wrong initial decisions, but later corrected them and became successful. The initial failures led to eventual success.

Second, we must be realistic about careers when encouraging our students. The number of professionals in the US economy has remained steady at approximately 23% for nearly the past 50 years according to Dr. Kenneth Gray, professor emeritus of education at Penn State University. There will be only so many successful doctors or nurses; lawyers or politicians; teachers or architects. Other career paths must be considered, including those that lead to entrepreneurial endeavors in every industry.

Third, all educators should recognize the threat of worldwide competition to our comfortable way of life. If our students are dropping out of school without the basic skills to succeed in a competitive world, and our educational levels are being surpassed by other countries, will our students have the skills and the creative minds in the future to make the "right decisions" to satisfy the customers we all serve? We all have customers for what we do everyday. Even government workers must realize that the taxpayers, whether they are individuals or businesses, provide through their taxes the money necessary to pay salaries and the other costs of government. Those taxpayers are the customers of government. We all have customers and must recognize how important it is to meet their needs.



How Can Our Youth's Potential be Maximized to Maintain World Leadership?

"Entrepreneurs are not 'born', rather they 'become' through the experiences of their lives"

Professor Albert Shapero, 1985. The Ohio State University

The Consortium for Entrepreneurship Education has been the major national advocate for 28 years for the inclusion of entrepreneurship education in all levels of education, K-16 and adult. We recognize that all academic and career and technical education areas provide valuable knowledge, skills, and attitudes important for success in society. We don't suggest that entrepreneurship education replace any of these. Instead we believe that it can be used as context in every educational discipline that motivates students to excel, have experiences in the real world, and open their eyes to future opportunities.

Entrepreneurship education activities have proven to engage students in learning and using skills that have a personal value to their futures. We propose that all educators review and discuss the 403 performance indicators published by the Consortium as the *National Content Standards for Entrepreneurship Education*. In 2004 the Kauffman Foundation funded the Consortium to conduct research, asking focus groups of early-stage entrepreneurs "What they do, and what you need to know to do it". The resulting list of knowledge and skills provides a base for educators to find ways to apply entrepreneurial skills to the curriculum without replacing any academic or technical skills.

If all teachers in the US included some aspect of entrepreneurial thinking in their courses, the logical outcome would be a nation of entrepreneurial thinkers for the future. In order for students to become more entrepreneurial all students across all the curriculums should be taught the skill sets that help them to have "the entrepreneurial mindset". Entrepreneurial skills and attitudes benefit both society and individuals in all walks of life.

This same entrepreneurial mindset by educators could be accomplished using the new US Department of Labor's Entrepreneurship Competency Model. As one of 11 high growth industry models, it uses much of the Consortium Standards and many of our member experts as its source. It has been published with the intent of helping unemployed adults determine what they already know and what they would like to learn in order to join the army of self-employed entrepreneurial Americans.

Source: Consortium for Entrepreneurship Education, National Content Standards for Entrepreneurship Education- http://www.entre-ed.org/Standards_Toolkit/ and U S Department of Labor, Employment and Training Administration, Entrepreneurship Competency Model - <http://www.careeronestop.org/competencymodel/pyramid.aspx>



ENTREPRENEURSHIP EVERYWHERE A Lifelong Learning Process.

This proposal addresses some basic suggestions for what might be done at each level of education to encourage the entrepreneurial spirit and develop knowledge and skills through experiences. Each suggestion is only a "thought starter" to challenge educators everywhere.

ELEMENTARY SCHOOL: At early grade levels the goal is for all children to understand the components of business, society, and government that are in their home towns. Experiences in how a business works and practice in creating a business idea that solves a customer problem are often introduced at this level. Designing a product and trying to sell it can teach the laws of supply and demand. You may not know it, but we guarantee there are entrepreneurs in your neighborhood that will help if you will just ask. At the same time these children can be developing life skills and practicing basic academic math and communications skills. Suggested models to use at this level include:

- Marketplace for Kids - North Dakota - <http://www.marketplaceforkids.org/>
- Micro Society - Philadelphia, PA - <http://www.microsociety.org/>
- TREPS...short for Entrepreneur - Newfoundland, NJ - <http://www.trepsed.com>
- Mini-Society - Council for Economic Education - New York, NY - <http://store.ncee.net/classroom-mini-economy.html>
- Competitions - For example, each student buys a product for under \$.50 and sells it for no more than a dollar. Keep buying and selling and see who makes the most money by the end of a week...or stated deadline. Discuss what they learned.

MIDDLE SCHOOL: Youth in grades 6 - 8 can begin to think about their own special interests and abilities and where their passions fit in the career opportunities they are encouraged to explore. Of course many have not even begun to think about their futures, but experiences with community entrepreneurs as well as money-making projects in the schools can open up possibilities. When focusing on financial literacy, which often begins in the middle grades, these young people can apply money-management skills to their own businesses as well as to their consumer needs. Students are eager to explore career options as they seek to find a way to fulfill their personal dreams. They need to explore all career clusters that are of interest to them including the entrepreneurial options in each cluster. * Again there are instructional resources to assist teachers as they help students explore entrepreneurial career options.

*Source: National Association of State Directors of Career Technical Education Consortium, The States Career Clusters Initiative, and the Consortium for Entrepreneurship Education - <http://www.entre-ed.org/teach/clusters.pdf>



Suggested models include:

- "Risks and Rewards of Entrepreneurship" - A Career Exploration Approach, Columbus, OH - <http://www.entre-ed.org/teach/curricul.htm>
- "Johnny Money:" An Online Interactive Business Simulation designed to enhance students' exploration of entrepreneurship. NFIB, Washington, DC - <http://www.NFIB.com/eitc>
- Junior Achievement - experiential curriculum available K-12 <http://www.ja.org/>
- Future CEO Stars magazines – a magazine by student entrepreneurs for students. Consortium for Entrepreneurship Education, Columbus, OH - www.futureCEOstart.com
- "Making a Job", Council for Economic Education, New York, NY - <http://www.councilforeconed.org/ea/program.php?pid=31>
- TREPS...short for Entrepreneur - Newfoundland, NJ - <http://www.trepsed.com>

HIGH SCHOOL: Teenagers have unexplored capacities to be innovative and entrepreneurial that are rarely tapped while they are in high school. Instead we are seeing a major dropout problem, often attributed to boredom and lack of engagement in the learning process. A study commissioned by the Bill and Melinda Gates Foundation in 2006 surveyed students who had dropped out of high school and learned that the decision to drop out was linked closely to the lack of challenge and connection to real-life experience faced by students in the public school system. Eighty-one percent of these dropouts stated that if school provided opportunities for real world learning it would have improved the students' chances of graduating from high school. The connections between academic concepts and entrepreneurship allows real world context for almost every academic concept that is currently taught and tested in America in the core academic subjects.

Career Clusters provide opportunities to help students pursue areas of particular interest. However most of the skill and knowledge statements do not include development of entrepreneurial skills in spite of the fact that every one of the Career Pathways includes opportunities for creating your own business. Emphasis on creating business plans for competition in student organizations such as DECA, FBLA, FCCLA, and SkillsUSA provide experiences for students supporting entrepreneurial skill development.

Emphasis on STEM (Science, Technology, Engineering, and Math) is encouraging specialization that leads to college, but it has not included Entrepreneurship or the skills to commercialize new ideas generated in the STEM program. The Partnership for 21st Century Skills has identified



entrepreneurship as a content area that was overlooked in the last Century, and it is now part of their focus on "Economic, Financial, Business, and Entrepreneurship Literacy." Many of their 21st Century Skills can best be taught in an entrepreneurial context because of the focus of the skills (personal responsibility, personal productivity, leadership, ethics, self-direction, critical thinking and problem-solving, creativity and innovation, communication and information skills, and collaboration skills)

There is growing interest in supporting entrepreneurship education in the high schools, but little real preparation for the teachers who must implement it. Again there is help for the educators to prepare themselves for presenting academic concepts in entrepreneurial contexts. The National Federation of Independent Businesses (NFIB) is organized to have its entrepreneurial members share their experiences with educators through the "Take Time to Teach" (T3) mentoring program that pairs educators and business owners. This helps teachers to infuse entrepreneurship into their classrooms.

Various curriculum products and activities are available from:

- USA Today's Entrepreneurship Education website that features articles from the newspaper and related activities - McLean, VA - <http://usatodayeducate.com/wordpress/index.php/entrepreneurship-education>
- NFIB Young Entrepreneur Foundation, Washington, DC - "Johnny Money Game" and a special free curriculum, "Entrepreneur-in-the-Classroom" - <http://www.NFIB.com/eitc>
- Curriki.org - New York, NY - an online open source curriculum site containing over 60 free entrepreneurship activities based on the National Content Standards for Entrepreneurship Education - <http://www.curriki.org> Search for entrepreneurship in Career & Technical Education and in Social Studies sections.
- NFTE - National Foundation for Teaching Entrepreneurship - New York, NY - <http://www.nfte.com/startaprogram/curriculum/>
- ESI - EntrepreneurShip Investigation - University of Nebraska - Lincoln www.4h.unl.edu/esi
- REAL Enterprises - Raleigh, North Carolina - http://www.ncreal.org/news/Updated_Curriculum
- Generation E - Battle Creek, MI - <http://www.genei.org/>
- ELI - Entrepreneurship Learning Initiative, Mentor, OH - <http://www.elientrepreneur.com/>
- "Go Venture" Media Spark Inc, Sydney, Nova Scotia - <http://www.goventure.net/>
- Making Cents, Washington DC - <http://www.makingcents.com/curriculum/index.php>
- CTSO competitive events guidelines - See DECA, FBLA-PBL, FCCLA, SkillsUSA, others.



COLLEGES: Pity the college students who failed to learn about entrepreneurship before finishing high school. If they have an interest in starting their own business, or want to succeed in any career, having a basic understanding of an entrepreneurial approach to their jobs can be beneficial. Colleges are recognizing that across all departments there are specialties that greatly benefit from access to entrepreneurship education course options. This is true in both the community and four-year colleges with the leadership of the National Association of Community College Entrepreneurship (NACCE). There is a wealth of textbooks written by professors to support their courses. Competitions with writing business plans are available for college students, within and between campuses. The Consortium finds that when students select a major in any field of interest and select an entrepreneurship minor, they develop skills essential to being successful once they complete their education. This is true whether or not they choose to start a business. We encourage connection to student entrepreneur clubs and real world experiences with creating and managing their own businesses as a college level program. Some students put themselves through college with their own business profits. Some resources that are easily accessible and proven are:

- REAL Enterprises - Raleigh, North Carolina - http://www.ncreal.org/news/Updated_Curriculum
- SBA on-line courses - <http://www.sba.gov/smallbusinessplanner/index.html>
- Extreme Entrepreneurship Education - colleges nationwide - <http://www.extremee.org>
- FASTTRAC Program - Kauffman Foundation, Kansas City, MO <http://www.fasttrac.org/>
- US Association for Small Business and Entrepreneurship (USASBE) - <http://www.usasbe.org/>

ADULT EDUCATION: The solution when circumstances leave people unemployed or underemployed, could be starting a small business. And help is available to do so. There are a number of short training programs through community colleges, via SBA networks, or Continuing Education Programs. If a person is considering this solution, it is first important they determine the areas of training needed. To accomplish this the Consortium recommends a checklist of what you need to learn using the National Content Standards for Entrepreneurship Education and/or the Department of Labor's newly released Entrepreneurship Competency Model (available for free at <http://www.careeronestop.org/competencymodel/pyramid.aspx>).

The theory for teaching adults encourages experiential learning, which is the best way to present entrepreneurial concepts. Below are examples of programs that follow this approach:

- REAL Enterprises - North Carolina - http://www.ncreal.org/news/Updated_Curriculum
- SBA on-line courses - <http://www.sba.gov/smallbusinessplanner/index.html>
- FASTTRAC Program - Kauffman Foundation, Kansas City, MO <http://www.fasttrac.org/>



PROPOSED CHALLENGES FOR ACTION

First, let us see how much educators know about entrepreneurship by asking your colleagues:

- a. What industries do not have any entrepreneurial opportunities?
- b. How do customers influence the decisions made by entrepreneurs?
- c. What percent of American businesses have no employees?
- d. What is the effect of constantly changing technologies?
- e. What impact do bankruptcies have on the small business economy?
- f. Why are small businesses important to our economy?

Second, we ask that those who agree with this EMPOWERMENT PROPOSAL find a group of teachers to review it and suggest ways entrepreneurship education could be implemented locally and nationwide. Ask them:

- a. What do you currently do to introduce entrepreneurship in your classroom?
- b. Why does it matter that students learn about the opportunities connected to a career as an entrepreneur?
- c. How could you involve local entrepreneurs with your students?
- d. How do you feel your students would respond to activities that introduce their opportunities to become entrepreneurs in the future?
- e. What are the barriers to teaching entrepreneurship in your classroom, and how could you overcome them?
- f. What character-building traits could best be acquired by students as they engage in entrepreneurial learning experiences?



Third, we ask that educators at all levels of education consider the “thought starters” included in this proposal and take specific actions related to the suggested resources and models.

- a. Identify the best concepts that will work in your classroom to integrate entrepreneurship competencies into the subjects you teach.
- b. Find a teaching buddy/partner with whom you can brainstorm about the entrepreneurship context for the skills you are required to teach and assess.
- c. Ask a local business owner to help you focus on skills that are essential to entrepreneurial success. They may help you review the 403 performance indicators of the *National Entrepreneurship Content Standards* to create activities for your classroom.
- d. Seek professional development opportunities to interact with other teachers who are focusing on integrating entrepreneurial concepts into their curriculum.
- e. Ask your students if they have learned about entrepreneurship in any of their classes and what they learned that you can build on for expanding their levels of competence.

Finally, and most important, we ask that each reader stand up for the freedoms provided in this nation that enable every citizen in the United States to use entrepreneurial skills in their everyday lives including, if they choose, starting their own businesses; to succeed or fail based on the decisions they make; and if they fail, to be able to try again as many times as it takes to succeed.

"The entrepreneurs of tomorrow are in our schools today"!