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Entrepreneurship Increases with Corporate and Economic Disappointments

According to a study by the Kauffman Foundation, a large, nonprofit foundation dedicated to the advancement of entrepreneurship, it was found that “entrepreneurship rates increased from 2007 to 2008 in what it calls a ‘harbinger of the current economic recession.’ ” (Westphal, 2009) The U.S. Small Business Administration (SBA), during the same time period (2007–2008), saw a 7.5% increase in “non-employer base experiences” or self-employed professionals with no employees working within their businesses. This is compared to the normal 2–4% that is seen in a “good economy.” (Tronche, 2009) This trend is not isolated to only the U.S. In Finland, the Global Entrepreneurship Monitor (GEM)—which explores entrepreneurial trends in 43 countries—has found Finland to be prospering when it comes to new businesses. The group’s 2008 research uncovered that “early-stage entrepreneurial activity has increased significantly in Finland in the last five years.” (TAT Group, 2009) This could very well be a product of frustration with the current economic state and/or a push to develop new markets that will provide opportunities for growth.

History suggests that an increase in entrepreneurship and innovation is common in a down economy. And, that the trend can advocate for the recovery of the market. “The way out of the doom and gloom of the 1970s—a period much like today’s—was a flood of technology innovation that prompted a generation of company formation, job creation, productivity gains, wealth accumulation, and GDP growth.” (Hutchins, 2009) It was also found by the Kauffman Center for Entrepreneurial Leadership that “countries with higher rates of people starting their own businesses also have stronger economies.” (May, 2001)



Students at business schools around the world are also taking part in entrepreneurial activities at a growing rate. Schools are supporting these students by creating business plan competitions in record numbers. Corporations are also becoming involved by sponsoring business plan competitions and awarding monetary startup capital to students who have the most viable plans. At Samford University's Brock School of Business, six student teams faced off in the final round of the college's first business plan competition. The top team left the event with 7,500 USD in startup capital. The competition was supported by Regions Financial Corporation, a U.S.-based, bank that is a proud sponsor of youth entrepreneurialism. In addition to competitions, schools have initiated programs that allow aspiring students to meet with successful entrepreneurs, such as at the Pacific Asian Center for Entrepreneurship and E-Business at the Shidler College of Business, University of Hawai'i at Mānoa.



Students are not the only ones interested in entrepreneurship in academia. Faculty are also becoming more and more interested in the discipline. For instance, Babson College's 29th Entrepreneurship Research Conference's 2009 call for papers received 598 abstracts from 47 countries. At the event, 366 researchers presented on 263 papers from 29 different countries. Entire journals dedicated to entrepreneurial topics are also being created. For example, in 2010, the Cox Family Enterprise Center at Kennesaw State University will be launching the *Journal of Family Business Strategy*. The new journal will be dedicated to exploring topics related to the development, survival, and ownership of a family-operated enterprise.

Article References

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