

Entrepreneurial Nation

Our enduring prosperity depends on innovation, which is truly American

By Amy Wilkinson

The handful of individuals who founded the USA were no strangers to risk and innovation. George Washington started one of the largest whiskey distilleries in the new nation. Benjamin Franklin was an inventor, and Thomas Jefferson an architect.

But these entrepreneurs made their riskiest investment 233 years ago when they laid the foundations for a democratic nation that endured despite formidable odds. In doing so, they set a precedent for daring and imagination that would come to define the American Dream.

Although today's entrepreneurs need not worry about being hanged by the redcoats, the current economic crisis might seem just as daunting. A recent study by the Kauffman Foundation reveals that more than half of the 2009 Fortune 500 companies were launched during a recession or bear market. Today's technologically savvy, adaptive and wired pioneers will rebuild our "city on the hill."

Recession start-ups

Consider a few start-ups from the past century: Burger King, MTV, CNN, FedEx, Intel and Microsoft. Each opened during a period of economic downturn. Today, these companies employ thousands of people worldwide.

And who could imagine a world without Google? Yet, when I graduated from business school in 2002, the technology giant was hardly known. As the tech bubble burst, many investors decried the end of the Internet revolution, but instead Google, PayPal and Salesforce.com emerged. PayPal co-founder Peter Thiel explains: "The lesson people learned was that things are hard but if you really work at it, you can get it to work."

Small, inventive businesses provide the backbone of our economy. Commerce Department data show that small companies represent 99.7% of firms with employees and have generated 60%-80% of net new jobs annually over the past decade. And a recent Pew study reported that 90% of us admire people who "get rich by working hard."

Big employer

America's secret weapon is further boosted by technology. Just ask Pierre Omidyar. In 1995, he founded eBay "to make the world better and build a successful company at the same time." Fourteen years later, the number of people who make a living buying and selling on eBay makes it one of the nation's largest employers.

But you don't need to run a business to be an entrepreneur. Using business smarts to bring new solutions to old problems, social entrepreneurs are pioneering change. Today, more and more civic-minded citizens are starting nonprofits as a modern iteration of the traditional ideal of volunteerism. People in their 20s and 30s are leveraging business partnerships, grants and donations to start their own enterprises. Bill Drayton, founder of Ashoka, a non-profit that supports more than 2,000 social entrepreneurs, explains, "We're in the business of 'everyone a change-maker,' and social entrepreneurs are the single most critical pulling force."

Politicians, economists and business managers can all agree on one point: It is imperative for the future American workforce to be equipped to succeed. Organizations such as Teach for America bring recent college graduates into underprivileged classrooms, to encourage reading, math and science skills in the entrepreneurs of the future.

Our prosperity depends on innovative thinking. Instead of bailing out behemoths that are "too big to fail," we must remember that mom-and-pop businesses, garage start-ups and small ventures are the reason we succeed.

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