ENTREPRENEURSHIP EVERYWHERE: The Case for Entrepreneurship Education

by
Consortium for Entrepreneurship Education

EXECUTIVE SUMMARY

Entrepreneurs are not “born”, rather they “become” through the experiences of their lives. (Albert Shapiro, The Ohio State University). Through effective entrepreneurship education, people can access the skills and knowledge needed to start and grow a new business. But, entrepreneurship education does not just contribute to new business starts. Communities who embrace entrepreneurship education also find that students perform better in school, and that a school’s overall performance also improves.

Yet, despite these many benefits, few communities offer easy access to entrepreneurship education for youth or adults. At the Consortium for Entrepreneurship Education, our mission is to reverse these trends and ensure that entrepreneurship training is readily available to all who want or need it.

This report makes the case for entrepreneurship education. It describes effective programs—based on the Consortium’s National Content Standards—and presents a four-part plan for how the US can provide entrepreneurship education programs to all Americans. To move forward in this important work, we must:

- Make entrepreneurship education a formal part of the American curriculum in every school district and educational institution.

- Create a nationwide ENTREPRENEURSHIP WEEK that focuses on entrepreneurs and entrepreneurship education at the national, state, and local levels.

- Finance an ENTREPRENEURSHIP EDUCATION INNOVATION FUND that provides seed funds to innovative educators and educational programs.

- Share information about entrepreneurship education and the creative programs that are emerging everywhere. The field of entrepreneurship education is booming! We need to share the effective practices that are already working.
If you ask a group of business executives to describe the key to their company’s future success, you’ll get a pretty consistent set of answers. While the terminology might differ, all of the answers call for a talented, competitive, skilled, creative, and entrepreneurial workforce.

A brief glimpse at recent blue ribbon reports on America’s economy offers further confirmation that talented workers will be the key differentiator in America’s 21st century economic success. For example, Innovate America, a report from the Council on Competitiveness’s National Innovation Initiative identifies talent as “the nation’s innovation asset.”

What do they mean by talent? It’s not enough to simply be smart. Instead, we need to nurture a new generation of innovators who have key skills in areas like science and engineering, but who are also able to collaborate with others and to act in the face of new opportunities. In other words, we need innovators who combine skill with an entrepreneurial mindset.

**BUILDING THE NEXT GENERATION OF LEADERS: OUR CHALLENGE**

America’s business, education and political leaders have reached a strong consensus on the need for a talented workforce. Unfortunately, they have also reached a consensus that our current educational system fails to provide the necessary foundations for such a workforce. The shelf load of reports recognizing the importance of a talented workforce is balanced by an even larger shelf load bemoaning our inability to develop just such a workforce.

Consider the recent comments of Microsoft’s Bill Gates, when asked to comment on the state of American high schools (address to National Summit on High Schools, 2/26/05):

*Training the workforce of tomorrow with the high schools of today is like trying to teach kids about today’s computers on a 50-year-old mainframe. It’s the wrong tool for the times... When I compare our high schools to what I see when I’m traveling abroad, I am terrified for our workforce of tomorrow.*

As a nation, we have responded to these challenges through a variety of efforts including charter schools, the No Child Left Behind Act, and a whole host of initiatives to improve performance and increase accountability.
All of these well-meaning reforms tackle some key part of the education challenge, but most tend to focus on how educational institutions are structured and managed. While structural reform is needed, we must also begin to consider new ways of engaging children in the learning process. Such engagement can be achieved in many ways, but we believe that entrepreneurship education must be part of any solution.

WHAT IS ENTREPRENEURSHIP EDUCATION?

Entrepreneurship education seeks to prepare people, especially youth, to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and who contribute to economic development and sustainable communities. It is not based on a textbook course. Instead, students are immersed in real life learning experiences where they have an opportunity to take risks, manage the results, and learn from the outcomes.

Entrepreneurship education is not just about teaching someone to run a business. It is also about encouraging creative thinking and promoting a strong sense of self-worth and accountability. Through entrepreneurship education, students learn how to create a business, but they also learn a lot more. The core knowledge created via entrepreneurship education includes:

- The ability to recognize opportunities in one's life.
- The ability to pursue such opportunities by generating new ideas and marshaling needed resources.
- The ability to create and operate a new venture.
- The ability to think in a creative and critical manner.

The benefits of entrepreneurship education—provided at all age levels—have been evident for some time. The first such training began in the early 1980s when Secretary of Education Terrell Bell issued a Policy Statement encouraging entrepreneurship education be taught in all vocational education programs. Today, entrepreneurship education efforts exist at all levels of education across the US and overseas. While this progress is impressive, it is still quite limited. The vast majority of Americans, and especially American youth, still cannot easily access entrepreneurship education training and resources.

WHY ENTREPRENEURSHIP EDUCATION?

These limitations are unfortunate, because the benefits of entrepreneurship education for individuals, communities, and the entire country are profound. The benefits include the following:

- Entrepreneurship Education inspires and motivates students to achieve while in school and use their knowledge in a real world setting.
• Entrepreneurship Education improves school performance and can help achieve No Child Left Behind (NCLB) goals and the Adequate Yearly Progress (AYP) measures.

• Entrepreneurship Education builds a pipeline that creates productive and thoughtful citizens who contribute to local, regional, and national competitiveness.

1) Improving Student Performance

Engaging youth—especially disadvantaged youth—remains a significant challenge for America’s educators. Entrepreneurship education is one tool that can help educators reach out to kids who lack interest in traditional learning models or approaches. In fact, students of all kinds, from the disaffected to the gifted and talented, can be motivated to dream big dreams and work to make them happen. Entrepreneurship Education provides activities that build relationships, provide relevance for learning, and encourage rigor in the effort to develop academic skills to be competitive.

We know that young people do better in school when they are interested or engaged in key subjects. We also know that more than 70% of American high schoolers have interest in owning their own business. We also know that students in entrepreneurship education programs show improved school performance and more ambitious goals for life after school. Studies from Philadelphia’s high school system show that at-risk students enrolled in entrepreneurship education have better attendance, have higher grades in math and English, and are more likely to graduate from school.

2) Upgrading School Performance

By improving student performance, entrepreneurship education also contributes to improving the overall quality of America’s schools. At the most basic level, students enrolled in these programs are less likely to be truant or to drop out of school. These programs can also help schools comply with various requirements such as those found in the No Child Left Behind (NCLB) law by actively engaging all students in the education process. Educators are finding that entrepreneurship training encourages youth to employ sophisticated math and science concepts in real-life situations. This training leads to greater interest as well as improved performance in math and science.

America’s business and education leaders are beginning to recognize how entrepreneurship education can improve school performance. The prestigious Partnership for 21st Century Skills has recently listed entrepreneurial skills as a key component of 21st century content.

The Consortium’s National Content Standards for Entrepreneurship Education will further assist educators in their efforts to integrate entrepreneurship education into
existing curricula. The standards offer clear guidelines and performance measures for tracking student progress and learning outcomes.

3) Enhancing Economic Competitiveness

Entrepreneurs are the engines of America’s economy, accounting for the vast majority of new job creation and the development of new innovations. Entrepreneurs can develop and thrive anywhere. Some people just have it! But, for the rest of us, training, support and education help. Individuals who receive entrepreneurship training---at all ages---are more likely to start a business, and, most importantly, to sustain and grow a business. And, these companies are the cornerstone of future economic growth, job creation, and wealth generation.

The rest of the world understands the power of entrepreneurs and the usefulness of entrepreneurship education. In the past decade, nearly every member of the Organization for Economic Cooperation and Development (OECD) has unveiled a new national entrepreneurship initiative. Many OECD countries include entrepreneurship in their national education curricula. These efforts are starting to pay off, as worldwide entrepreneurship rates are beginning to climb.

America has long enjoyed a strong climate for entrepreneurship, but this competitive advantage is beginning to erode. We can continue to assume that past patterns will continue, or we can invest in efforts that support the next generation of entrepreneurs. At the Consortium, we believe in the inherent competitive strengths of the American economy. But, we also believe that it makes sense to “prime the pump” by expanding training and educational opportunities for those who want to learn more about becoming an entrepreneur. Changing the culture in every community to recognize the entrepreneurial opportunities in each local area will make all states stronger. These small but critical investments can pay big dividends in future economic prosperity.

WHY HASN’T IT HAPPENED ALREADY?

If the case for entrepreneurship education is so compelling, why isn’t it happening already? Several forces are at work. First, America’s entrepreneurial advantages have allowed us to be complacent. We have a strong climate for entrepreneurs, so why should we worry about entrepreneurship education? Second, data on the power of entrepreneurship education has been lacking. Until quite recently, our understanding of effective program design was limited. Finally, schools have faced enormous challenges, and have been unable to undertake yet another new initiative in the face of NCLB and other mandates for local, state, and federal leaders. Teachers are under the gun, facing significant time and resource constraints. Many teachers “get it,” and want to teach entrepreneurship. But, they often lack the resources and knowledge about how to move ahead. Many felt it was enough to provide entrepreneurship only at the college level.
We believe that all of these explanations no longer hold true. Given the importance of entrepreneurs to America’s prosperity, we need to generate a new pipeline of entrepreneurs who will create jobs and generate new innovations no matter what type of education they choose. Our economic competitiveness depends on it.

Meanwhile, we know that entrepreneurship education works. Programs have been operating for two decades now, and they have generated impressive and sustainable improvements in student and school performance. We also know that schools can integrate entrepreneurship education into existing programs and curricula. Entrepreneurship is a career option for all students, both those in career and technical education pathways and all others who have not yet chosen their future goals. Thanks to the Consortium’s National Standards, entrepreneurship is not simply an add-on to existing classes. It can become an integral and innovative piece of the learning environment.

**HOW TO DO IT?**

The Consortium believes that entrepreneurship education is a life-long learning process. As such, we also believe that entrepreneurship education can and should be integrated at all levels of our educational systems. A kindergartener, a budding high-tech CEO, and a retiree looking to supplement her income, should all have access to quality and tailored programs of entrepreneurship education.

The idea of lifelong learning helps us envision the process of developing entrepreneurial skills through all educational levels. Entrepreneurship education means many different things to educators…from primary schools to the university, from career-technical education to a university MBA. At each level of education, we can expect different outcomes as students mature and build on previous knowledge. But the overall purpose remains to develop expertise as an entrepreneur that leads to successful, growing businesses in the future.

The lifelong learning process proceeds through at least five distinct stages of development. It assumes that everyone should have opportunities to learn at the beginning stages. At later stages, resources are targeted to those who choose to become entrepreneurs. Each of the following five stages may be taught with activities that are infused in other classes or as a separate course.

**Stage 1 - BASICS:** In primary grades, junior high and high school, students should experience various facets of business ownership. At this first stage, students learn the basics of our economy, career opportunities that result, and the need to master basic skills to be successful in a free market economy. Motivation to learn and a sense of individual opportunity are the special outcomes at this stage.

**Stage 2- COMPETENCY AWARENESS:** The students learn to speak the language of business, and see problems from the business owner’s point of view.
This is particularly needed in career and technical education. The emphasis is on beginning competencies that may be taught as an entire entrepreneurship class or included as part of other courses related to entrepreneurship. For example, cash flow problems could be used in a math class or sales demonstrations could be part of a communications class.

Stage 3- CREATIVE APPLICATIONS: Business is complex, yet our training efforts don't reflect this complexity. We teach future doctors in a program of many years, but we have expected a small business owner to learn everything by attending several Saturday seminars.
At this stage, students explore business ideas and business planning. Although it is still only an educational experience, students gain a greater depth and breadth of knowledge than at previous stages. This stage encourages students to create a unique business idea and to carry the decision-making process through a complete business plan. The best programs enable students to actually experience the operation of a business as well. This stage may take place in advanced high school career and technical programs, two-year colleges, and at some colleges and universities. Students learn how it might be possible to become an entrepreneur and to practice the processes of business.

**Stage 4 - STARTUP:** After adults have gained job experience and/or further education, many need special assistance in putting a business idea together. Community education programs are widely available in the career and technical programs, community-based assistance programs, community colleges, 4-year colleges and universities to provide startup help. The U.S. Small Business Administration sponsors many of these training programs.

**Stage 5 - GROWTH:** As firms mature, business challenges still remain. Often business owners do not seek help until it is almost too late. A series of continuing seminars or support groups can help the entrepreneur recognize potential problems and deal with them in time.

The growth of postsecondary entrepreneurship majors and minors provides further opportunity for developing expertise. There is a new emphasis in programs at community colleges and continuing education programs at universities or colleges to offer opportunities to develop expertise for their business community. Entrepreneurial schools recognize that the best economic development plan is to help the community’s existing businesses grow and prosper.

At each level, educators tailor their teaching to the unique needs and interests of their students. But, the bottom line is consistent. Entrepreneurs thrive thanks to continuous lifelong learning. Our educational system must be reformed to support and supply these needs. Some form of entrepreneurship education should be available to all Americans at all levels of the educational system.

**WHAT CAN YOU DO?**

Creating a nationwide system of entrepreneurship education is what some business school professors would call a “big hairy audacious goal.” While these objectives are big and audacious, they are also practical and desirable. By enhancing access to entrepreneurship education, we can improve student performance, enhance school performance and accountability, and contribute to regional and national competitiveness.
We believe that the following initiatives are needed:

1) **America’s federal and state education leaders should make entrepreneurship education a formal part of the American curriculum.**

Local, State and federal education officials should be encouraged to use the Consortium’s standards as a tool for introducing entrepreneurship education into existing federal, state, and local curricula. At present, only two states (Nebraska and West Virginia) have appointed officials to serve as advocates for entrepreneurship education. All fifty states must appoint such advocates and include entrepreneurship education in state curriculum standards.

2) **Support and implement a nationwide ENTREPRENEURSHIP WEEK that focuses on entrepreneurs and entrepreneurship education at the national, state, and local levels.**

Entrepreneurship Week is not simply an excuse to publish a proclamation extolling entrepreneurship. Instead, the week would consist of a national series of celebrations, business plan competitions, and other events that nurture entrepreneurship.

Great Britain’s Enterprise Week (held every November) offers a model for this experience. During last year’s Enterprise Week, more than 158,000 Britons participated in events support business and non-profit start-up, development, and growth.

3) **Develop and finance an ENTREPRENEURSHIP EDUCATION INNOVATION FUND that provides small grants to innovative educational programs.**

Effective entrepreneurship education arises in bottom up process, where teachers identify a need and market niche for certain training tools, methodologies and concepts. Much like Lockheed’s famed “Skunk Works,” we need a “Skunk Works” for new ideas in entrepreneurship education. The Innovation Fund would provide grants to teachers who want to develop, disseminate, and promote the best new ideas in entrepreneurship education. Funded initially with $80,000, the Innovation Fund should ultimately invest $1 million per year to support creative and innovative teachers and teaching concepts.

Few teachers have extensive experience as entrepreneurs. Even fewer teachers have received training in how to teach entrepreneurship or have been provided with resources to create new curricula or training tools. If we are serious about supporting entrepreneurship, we must be equally serious about helping those who will help nurture the next generation of entrepreneurs. Among the efforts that
could be backed via the Innovation Fund are items like teacher scholarships to attend professional development meetings and training, seed funds to initiate creative projects, and connections to entrepreneurs who would serve as mentors to enhance the teachers’ experiences. A competitive grant fund would supplement the limited funds provided to educators to add new courses.

4) **Share information about entrepreneurship education and the creative programs that are emerging everywhere**

Each of us has networks that would benefit from knowing more about entrepreneurship education, including what the lifelong learning process is and how it affects a great variety of programs from primary education through college and adult. Check out the Consortium’s website [www.entre-ed.org](http://www.entre-ed.org) to explore the great variety of programs already existing in the US, and share them as models for school nationwide.

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**THE ENTREPRENEURS OF TOMORROW….ARE IN OUR SCHOOLS TODAY!**

TO LEARN MORE

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