

Entrepreneurship in the United States

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Introduction

Entrepreneurs are a unique group of visionaries who take on great risks to organize and operate their businesses and promote exceptional ideas. While the definition of an entrepreneur remains constant, the role of entrepreneurship in our growing world is consistently advancing and changing. Specifically, entrepreneurship in the United States has greatly shaped our country and contributed to its progress greatly. Hubert H. Humphrey, 38th Vice President of the United States says about entrepreneurship, “Much of our American progress has been the product of the individual who had an idea; pursued it; fashioned it; tenaciously clung to it against all odds; and then produced it, sold it, and profited from it” (Baron, 1998).

To understand the impact of entrepreneurship in the United States one must consider the following elements:

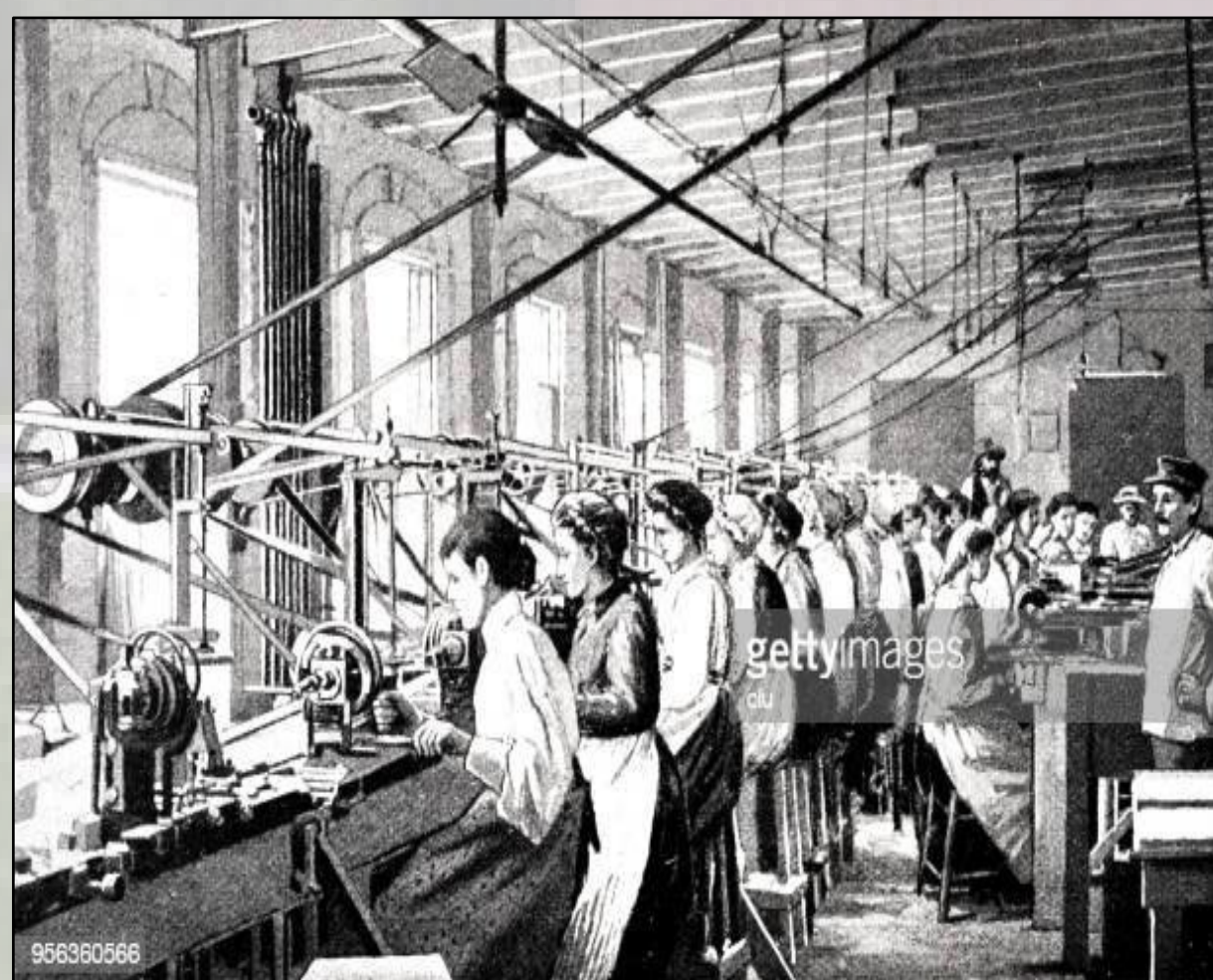
- History of entrepreneurship
- Impactful entrepreneurs
- Elements of entrepreneurship in the modern era
- Technological impacts
- Pandemic Impact: The Great Resignation & Small Businesses
- Future of Entrepreneurship

History of Entrepreneurship

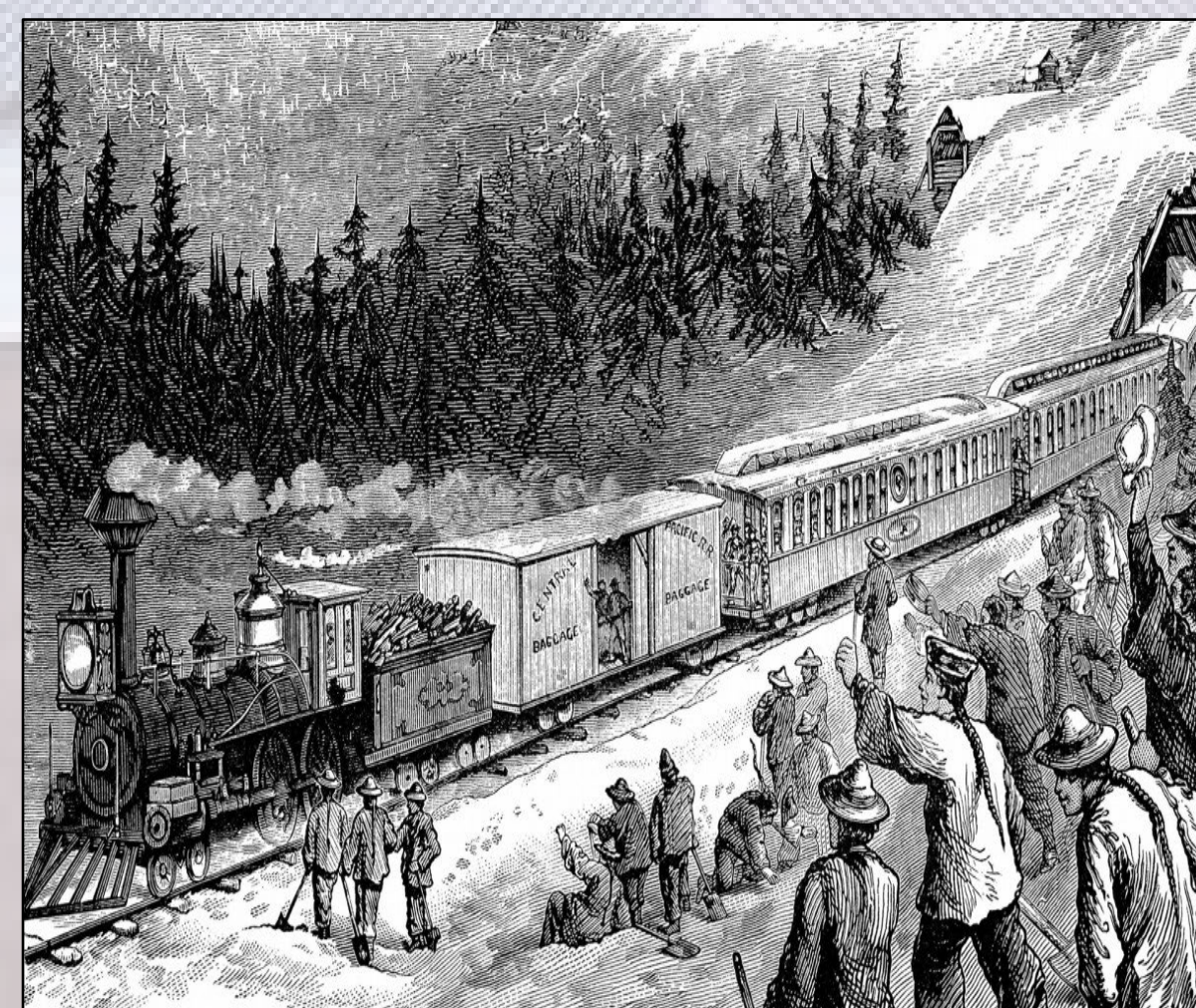
Observing the very beginning of American entrepreneurship, the settlers first experienced this when bartering and trading with Native Americans, resulting in mutual benefits (Square, 2000). Following this, the period after the Civil War known as the Industrial Revolution boomed with entrepreneurs and opportunities. In this era, entrepreneurs made the discovery that, “Early machines reduced the need for human labor, enabling the rise of the first factories” (First Republic Bank, 2022). These innovators seized this opportunity which resulted in rapid growth and propelled the country into the Industrial Age. Entrepreneurship flourished near the end of the 19th century with the expansion of the railroad out west. Settlers began to move West which prompted the government to support railroad, banking, and land acquisition industries (Square, 2000). This created enormous opportunities for entrepreneurs to profit. In the present era, entrepreneurs are focusing less on the railroad industry and more on the technology industry.



Settlers bartering with Native Americans
Source: Bill of Rights Institute



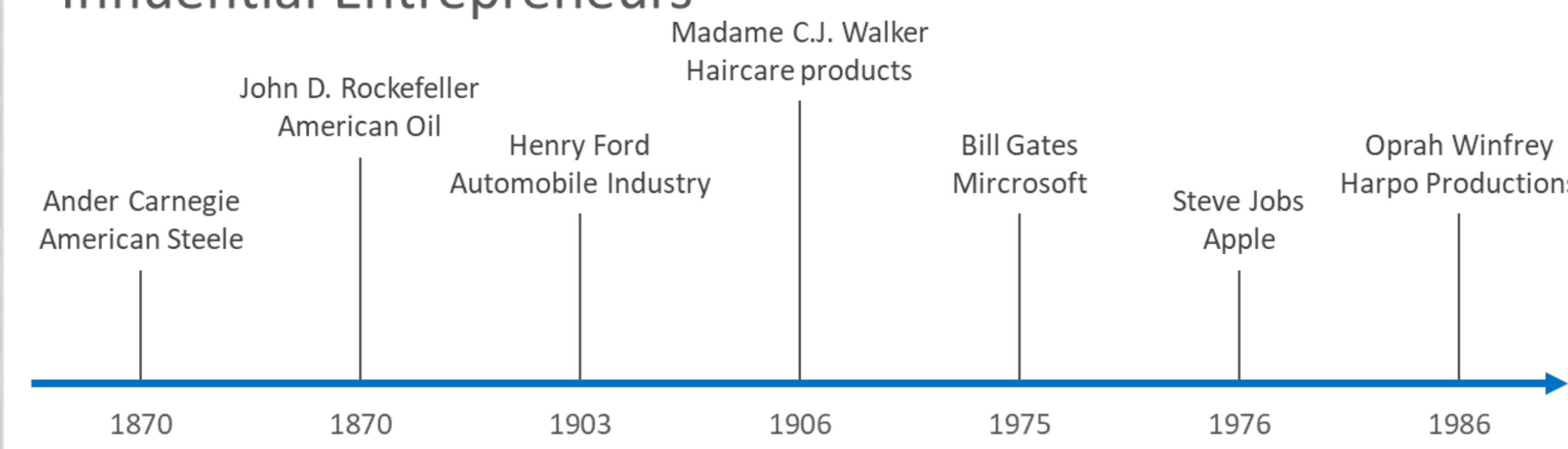
Beginning of Industrial Revolution
Source: Getty Images



Expansion of railroad
Source: History.com

Influential Entrepreneurs

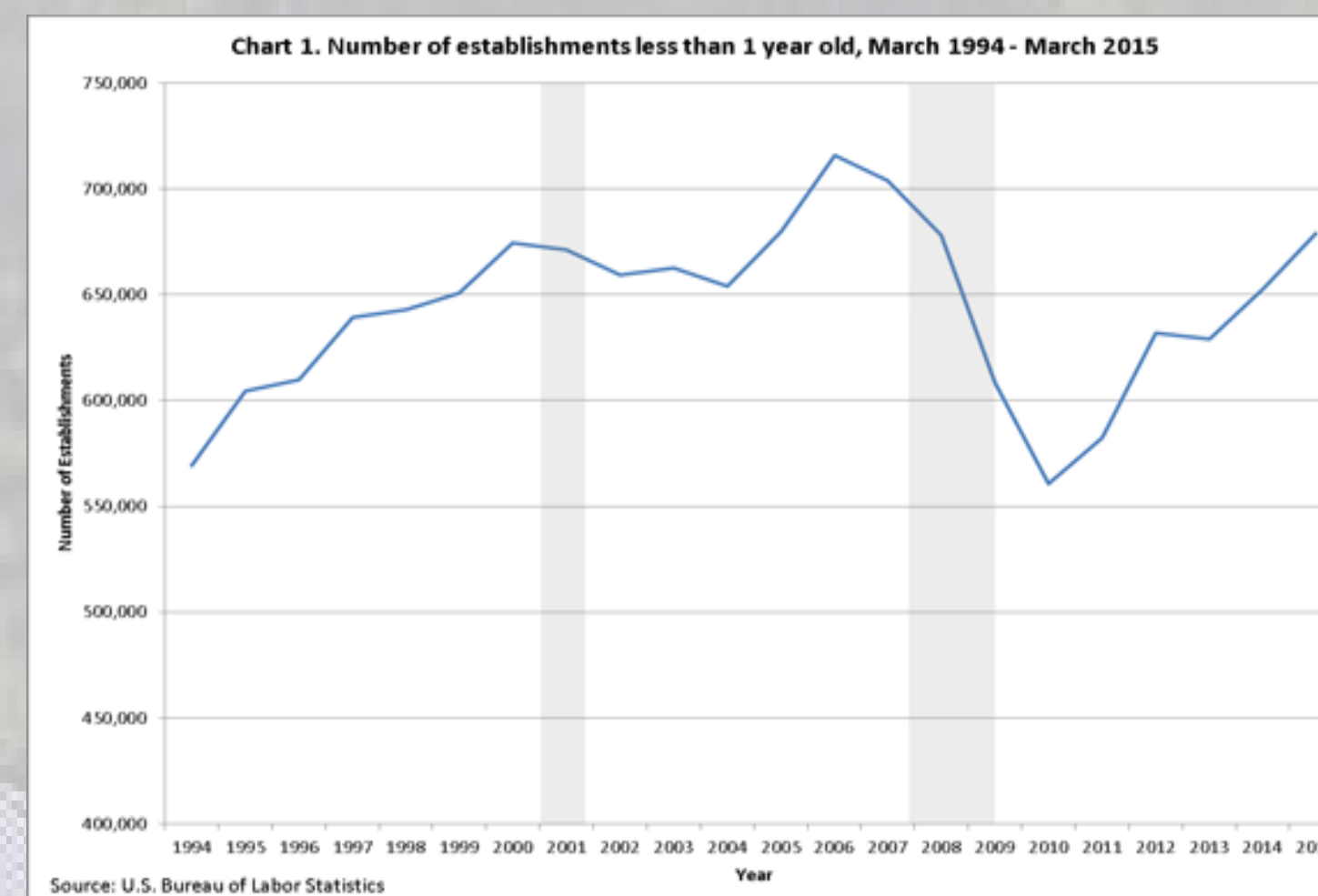
Influential Entrepreneurs



The brilliance of these entrepreneurs helped launch the nation into a new era of urbanization and industrialization: Andrew Carnegie, John D. Rockefeller, Henry Ford, and Madame C.J. Walker. Modern-day entrepreneurs employ the same drive and creativity as historical entrepreneurs but utilize modern-day tactics. Bill Gates, Steve Jobs, and Oprah Winfrey are three of the most well-known entrepreneurs of the modern era.

Elements of Entrepreneurship in the Modern Era

Regarding the United States economy, entrepreneurship plays an important and impactful role. Observing recent trends, the US Bureau of Labor Statistics, the primary source for information on the nation’s labor market, states, “The number of new business establishments (establishments that are less than 1 year old in any given year) tends to rise and fall with the business cycle of the overall economy” (US Bureau of Labor Statistics, 2016). In more recent years, small businesses have experienced a boom due to a phenomenon known as The Great Resignation.



Technological Impact

Recent trends and events have elicited growth in the number of modern entrepreneurs. These individuals have unique characteristics that set them apart from others, but experts are unsure of what specifically prompts entrepreneurs to take such great risks to pursue their ideas. Both environmental and individual factors greatly influence if a person is willing to take the risk of being an entrepreneur. However, risk tolerance, self-motivation, willingness to fail, and a competitive spirit are factors that greatly influence individuals to become entrepreneurs.

The advancement and improvement of technology has impacted the United States and the world in a remarkable way. Not only has it improved the quality and longevity of life, but it has reformed what is required of entrepreneurs. Technology is rapidly advancing, and as a result, entrepreneurs must acquire the skills to utilize opportunities within this field. Technology entrepreneurship can be defined as “An investment in a project that assembles and deploys specialized individuals and heterogeneous assets that are intricately related to advances in scientific and technological knowledge for the purpose of capturing value for a firm” (Anitha, R., 2021). Technology entrepreneurship allows specialized individuals to investigate new technologies and how they can be utilized to improve businesses, the economy, and society. Because of these entrepreneurs in technology, the country has access to more data, expanded education, and opportunities for the development of other countries and the middle class (Anitha R., 2022). Many entrepreneurs are pursuing the field of technology which is growing immensely and propelling our society into an advanced era.

Pandemic Impact: The Great Resignation & Small Businesses

In the wake of the 2020 Covid-19 pandemic, a large mass of employees have voluntarily left their positions at their companies causing what was coined The Great Resignation. Each individual had their own reason for pursuing opportunities elsewhere.

Employing a workforce that has rising employee expectations, is changing in profound ways, and is highly competitive is becoming difficult for companies. An article by authors A. Lewis, J. Danielson, L. Cojocar, and J. Steinhoff states that the top five benefits millennials want in the workplace are, “Fair pay and personal meaning inclusive benefits that go beyond parenthood, gender equity at all levels, flexibility post-pandemic, and safe spaces where they can be involved” (Lewis et al., 2022). Among other issues, these problems were some of the few of which that cause so many employees to leave their companies during The Great Resignation.

While employers, hiring managers, and human resource directors must now find potential employees to fill the newly vacant positions left by The Great Resignation, labor market specialists and economist experts see great potential. Writer for NBC News Martha White reports, “From January through November, just under 5 million new business applications were submitted, a jump of 55 percent over the same period in 2019. A significant number of them are what the Census Bureau refers to as “high-propensity applications,” which means they are likely to create new jobs” (White, 2021). While individuals were at home during the pandemic, they had the opportunity to assess their current position in their work life and where they wanted to be in the future. White continues in her article for NBC News, “ Frank LaMonaca, a certified mentor at SCORE, said the pandemic opened an unexpected “window of opportunity” for people hungry to go into business for themselves” (White, 2021). The Great Resignation presents challenges for many companies but also provided opportunities and initiatives to individuals who had the passion to become entrepreneurs.

The Future of Entrepreneurship

The current future of entrepreneurship has a very promising outlook. A response on a Quora thread from a founder, brand consultant & teacher reads, “The future of Entrepreneurship in 10 years looks very promising. Technology and the information age that we are currently in is paving the way and enabling people to become Founders and CEOs at a higher rate and a younger age” (Segreto, 2022). Not only is technology providing great opportunities for individuals to become entrepreneurs, but The Great Resignation provided them with reasons to quit their jobs and pursue entrepreneurship.

- “According to an Indeed survey of US workers who had switched jobs at least twice since the start of the pandemic, 92% said the pandemic made them feel like life is too short to stay in a job they were not passionate about” (Indeed.com, 2022).
- The pandemic and mandated time at home allowed workers to evaluate their future work life, most of them discovered they were unhappy, and they are now finding passion in entrepreneurship. Statistics implicate that, “70% of US entrepreneurs expect to grow at least 25% in the next three to five years.
- The number of unicorn startups (any startup that reaches a valuation of 1 billion USD) surpassed 1,000 during the first half of 2022, growing by 22% vs the previous year”(Baruffati, 2023). This implies that many individuals are discovering their passions and pursuing them through entrepreneurship. Acceleration in entrepreneurship promotes economic growth by, “Creating new products and services, they stimulate new employment, which ultimately results in the acceleration of economic development” (Mohamed, 2020). The overall growth in entrepreneurship will ultimately improve the US economy and generate a nation that is passionate about its professions.

