

# YOUTH ENTREPRENEURSHIP EDUCATION IN AMERICA: A POLICYMAKER'S ACTION GUIDE



Presented by the Aspen Youth Entrepreneurship Strategy Group



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# FOREWORD

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Economic leaders and educational scholars are calling for an increase in initiative, self-regulation, critical thinking, and lifelong learning skills among young people to meet the needs of the growing “knowledge economy.” If we want to be competitive in the global economic arena and maintain our high standard of living, we must rise to the challenge.

As leaders, how can we develop a systemic initiative to keep young people in school, learning academic and work skills effectively — motivated to be productive and engaged in their communities and the larger economy, and developing success-oriented attitudes of initiative, intelligent risk-taking, collaboration, and opportunity recognition? Entrepreneurship education is one answer to this question, and an important tool to help every child explore and develop his or her academic, leadership, and life skills.

Fifteen years ago, a new, standards-based framework for improving American K-12 education began to emerge. It was a radical idea, driven by the goal of having all children reach high standards of learning, which traditionally had been the expectation set only for a select group. Since then, under the Improving America’s Schools Act of 1994 and the No Child Left Behind Act of 2001 (the two most recent versions of the federal Elementary and Secondary Education Act), state, district, and school efforts to improve public education for all students have intensified. Yet the United States still lags behind other countries in key knowledge domains and industries. Why aren’t American children doing better? Why are so many of our young people not even completing high school?

Fifty-three percent of Hispanic students and one in two African-American students fail to graduate high school according to The American Youth Policy Forum. Students from low-income families are six times more likely not to finish high school than those from high-income families. Dropouts face severe obstacles to employment, livable wages, and civic participation; many drift into crime and are incarcerated. This situation means a loss of opportunities for the individuals, substantial cost to the government and taxpayers, and a tremendous deficit in productivity for businesses and other organizations.

Even those students who do graduate may not be well prepared. According to the National Reading Panel, American companies lose nearly \$40 billion a year because of illiteracy. Further, a survey by the National Occupational Information Coordinating Committee and the National Career Development Association found that a majority of youths themselves report feeling unprepared in skills, knowledge, and attitudes when entering the workforce. And, according to the Manhattan Institute, only about 20 percent of African-American and Hispanic students graduate college-ready.

This skills crisis is becoming more critical because the American economy is shifting. Not only will the traditional skills of reading, writing, and math be needed to thrive in this economy, but also tech-

nological savvy and self-direction. With the pace of innovation, many of the jobs our children will hold don't even exist yet. More than ever, we need to educate students to be continual learners.

The federal School to Work Opportunities Act and other education policies suggest that students learn more and perform better when tasks and skills demonstrate relevance to their current and future lives. Evaluation studies of high-school-level curricula in youth entrepreneurship report that students increase their occupational aspirations, interest in college, reading, and leadership behavior after participation. Six months later, 70 percent of the alumni in a recent evaluation cohort were in college, 63 percent had jobs, and one in three ran a small business.

Perhaps most critically, the experience of a sense of ownership in their lives was four times higher for alumni of youth-entrepreneurship programs than for students who did not take such courses.

“Ownership” is a powerful concept. The American economy and way of life are based on it. We own our homes and our cars. We strive to “own” our jobs, even if we work for someone else. Thus, we value both financial ownership and psychological ownership — being in control of resources and lives that are of our own choosing. High-school-level education in youth entrepreneurship provides the experience of ownership early in life.

Preparing today's students for success and eventual leadership in the new global marketplace is the most important responsibility in education today. Providing them with guidance and opportunity at the most critical junctures along their educational journey can have a profound impact. Entrepreneurship education is an important tool to achieving these objectives.

Corporate philanthropy is well positioned to play an essential part in encouraging entrepreneurship education and small-business ownership. Model educational and skills-building programs are trying to fill this growing gap by preparing young people from low-income communities to work with peers from around the globe while enhancing their business, academic, and life skills. By investing in entrepreneurship education programs, funders can open an exciting world of possibilities to young people, and help them develop new confidence, skills, and ambitions along the way.

While philanthropy can play a part in encouraging entrepreneurship education, Congress, the U.S. Department of Education, state governors and legislators, and economic-development leaders must play a leading role. Congress should authorize and fund legislation to support training and certification for high school educators to teach entrepreneurship. Entrepreneurship education should be universally available, to provide all students with opportunities to explore and fulfill their potential.

# EXECUTIVE SUMMARY

If you ask America's business and entrepreneurial leaders to comment on the quality of our current and future workforce, you hear a common refrain: Today's young people are "not ready to work." They lack necessary skills, especially in science and math, and, even worse, they often lack the ability to work in teams, think creatively, or to interact effectively with colleagues or potential customers.

This "disconnect" between what employers want and what our youth bring to the table has major economic consequences. Most importantly, young people — especially the growing number of high school dropouts—lose the opportunity to enjoy successful and rewarding careers. At the same time, American companies suffer from competitiveness disadvantages as they become less able to keep up in today's "war for talent." Meanwhile, overall American economic competitiveness has begun to suffer as our schools and communities lose the capacity to develop a more creative and entrepreneurial talent base.

According to many observers, an entrepreneurial mindset — a critical mix of success-oriented attitudes of initiative, intelligent risk-taking, collaboration, and opportunity recognition — is the missing ingredient. This skills crisis is becoming more critical because the American economy is shifting. Not only will the traditional skills of reading, writing, and math be needed to thrive in this economy, but also technological savvy and self-direction. With the pace of innovation, many of the jobs our children will hold don't even exist yet. More than ever, we need to educate students to be continual learners.

These multi-pronged challenges will require a host of different solutions that better engage young people in their education, while also building stronger connections between communities, businesses, and schools. We believe that expanding the availability of youth Entrepreneurship Education resources should be a critical part of this solution. These programs have a proven track record of keeping children in school, and providing them with the skills, knowledge, and tools needed to start their own ventures, thus creating innovative entrepreneurs, managers, and employees.

To date, youth Entrepreneurship Education programs are in place in some communities, but most American youths have little or no access to such training. We believe that local, state, and federal policymakers must remedy this situation by making a major commitment to expanding the availability of youth Entrepreneurship Education. The goal of the Aspen Youth Entrepreneurship Strategy Group is to ensure that each graduate from a high school that serves in a low-income community has educational opportunities to explore his or her entrepreneurial potential.

While this objective sounds simple, achieving it will require extensive cooperation at all levels of government. Locally, policymakers should:

- Introduce entrepreneurship training in all schools, with special emphasis on those with large populations of youth from low-income communities.
- Increase funding to support teacher training, curriculum and professional development, and to evaluate program design and outcomes.
- Develop strong partnerships between schools, businesses, and other community organizations, so that business leaders can serve as mentors, coaches, and provide support to local programs.

At the state level, policymakers should:

- Adopt statewide standards for youth Entrepreneurship Education.
- Create formal Entrepreneurship Education partnerships between primary and secondary schools, community colleges, and four-year institutions.

At the federal level, policymakers should:

- Revise existing education statutes, such as the No Child Left Behind Act, and the Higher Education Act, Carl D. Perkins Act and Workforce Investment Act to include entrepreneurship skills as a desired competency in educational standards.
- Expand funding for youth entrepreneurship in key programs operated by the Department of Labor, the Small Business Administration, and other appropriate agencies.
- Create a federal Office of Entrepreneurship Education and provide it with resources to share best practices in the field and also serve as a nationwide advocate for youth entrepreneurship.
- Consider adding Entrepreneurial Literacy to the President's Council on Financial Literacy.

Even with these important policy interventions, the future of youth entrepreneurship will depend on the work of entrepreneurs — from the students themselves, to their teachers, to Entrepreneurship Education advocates, and to the field's leading business partners. Preparing today's students for success and leadership in the global marketplace is the most important responsibility in education today. Providing them with guidance and opportunity at the most critical junctures along their educational journey can have a profound impact. Entrepreneurship Education is an important tool to achieving these objectives.

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**Zainah Yusuff**  
Zainah's headbands  
Woodrow Wilson High School

Zainah Yusuff  
Zainah's headbands



## ENTREPRENEURSHIP EDUCATION: THE BIG IDEA?

When it comes to entrepreneurs, Americans of all political stripes agree: we like them, we respect them, and we need them to help build our economic prosperity. For many of us, the entrepreneur, embodied in the likes of Henry Ford, Thomas Edison, Oprah or Bill Gates, is an exemplary American character. Because the entrepreneur is so “quintessentially American,” many of us assume that entrepreneurs just emerge out of thin air. Yet, history shows us that they don’t. They need to be nurtured — by their parents, their teachers, and their communities.

Many American children get this nurturing from parents who operate their own businesses, or from local schools or other support organizations. Unfortunately, many young people don’t have these opportunities because of poverty, underperforming schools, or other factors outside their control. If we want to engage the entire spectrum of our youth in the American economy, we will need to find ways to nurture the entrepreneurial spirit across the board. We believe that an aggressive commitment to youth Entrepreneurship Education offers the means to achieve this equality.

This Guide makes the case for Entrepreneurship Education in the following ways: First, it details the extent of the innovation challenge facing America’s young people, especially youth from low-income communities. It then details where and how Entrepreneurship Education can help engage children and teach critical skills. Thousands of local experiments in Entrepreneurship Education are underway around the globe. These experiences provide a host of useful insights about what works and what is needed in the field. Finally, the guide offers suggestions for what you, as a leading policymaker, can do to help prepare our youth to be economically productive members of society in the 21st century global economy.

We believe that Entrepreneurship Education is a strong and compelling way of thinking about youth engagement. If you meet a young entrepreneur, you can’t help but be inspired. Our question is not “should we do something?” Instead, it is “how can we make it happen?” The report concludes with detailed policy-action steps that can guide you in helping your community to achieve a powerful yet achievable goal: to ensure that every child, especially those in low-income communities, is exposed to entrepreneurship as part of a basic educational experience

### JASMINE LAWRENCE

Williamstown High School, Williamstown, New Jersey  
Owner, EDEN Body Works

At the age of eleven, Jasmine became determined to create her own natural hair-care products. After she had used a commercial hair-relaxer, the chemicals in it had caused 90% of her hair to fall out. “It was really devastating at eleven years old, without any hair,” she recalls. “When it comes to women and their hair, if their hair isn’t right, then they just can’t go about their day.” It was at that moment that Jasmine vowed never to use chemical products again. She then researched natural hair-care products online, but realized that they were not “natural” at all. “That’s when I decided to create my own,” and added: “I wanted to do this for a living and share it with the world.” With the help of NFTE (the National Foundation for Teaching Entrepreneurship [www.nfte.com](http://www.nfte.com)), Jasmine started her own business, EDEN Body Works.

With NFTE’s support, Jasmine created an all-natural line of hair-care products, including shampoo, conditioner, hair oil, temple balm, hair milk, and hair wipes. Today, Jasmine’s products are bringing in over \$100,000 per year. In 2007, Jasmine was an Entrepreneur of the Year at NFTE’s prestigious annual awards gala, attended by a thousand luminaries from the spheres of business, philanthropy and education, and has been featured on Oprah.



## THE CHALLENGE AND THE OPPORTUNITY

One of the biggest challenges facing the American economy is to how to grow a more skilled and productive workforce. With inevitable demographic shifts, it will not be enough to simply tinker at the margins. When it comes to building a strong future workforce, we face real challenges. Consider the following:

- The U.S. presently ranks 17th in the world in overall high school graduation rates. American rates have remained largely unchanged since World War II. Unfortunately, numerous global studies indicate that future high-paying jobs will require post-high school and, in most cases, post-college levels of education.<sup>1</sup>
- U.S. students continue to perform poorly on international tests on science and math. At present, American 15 year olds rank 24th in mathematics and 19th in science, when compared to students from 29 other developed nations.<sup>2</sup>
- In 1960, the U.S. was ranked first in percentage of high school graduates. Currently, we rank 13th in the world. South Korea, once ranked 27th, is now number one.<sup>3</sup>

These trends are indications of significant challenges facing the U.S. education system. The old methods of public school education worked well in the past, but today's economy is radically different. It challenges us all to build new skills, innovative thinking, and talents that can no longer be nurtured with outdated methods. This is not only an issue of social justice and equity, but lies at the heart of America's economic competitiveness. When our children fail, America fails. Our nation's future prosperity depends on our ability to encourage a wide and diverse talent pool with an entrepreneurial mindset, and providing the skills to succeed, prosper, and compete in today's economy.

When it comes to new methods and approaches, we believe that the sky's the limit. Despite many challenges, America remains one of the world's most innovative and entrepreneurial societies. But there is no single silver bullet solution to the problems of preparing American youth to succeed in the 21st century economy. We need any number of new ideas and models.

This Guide presents a strategic approach to expand the role of Entrepreneurship Education in America's schools, and will attract attention from federal, state, and local policy leaders. We believe that Entrepreneurship Education is a key part of the solution to several pressing national policy challenges, including high school dropout rates, workforce readiness, and America's economic competitiveness.

### "PLAYING IT FORWARD!"

By Cesserly Rice

Gwendolyn Brooks College Preparatory Academy,  
Chicago, Illinois

Owner, CR Sports Management

Facing changes can be very challenging for anyone. This is especially true for young athletes making the difficult transition from high school to college level. Many very gifted individuals fall through the cracks and throw away the opportunity to pursue their dream. Overwhelmed by the daunting task of balancing academics with athletics, while maneuvering through the "who you know" network often associated with college sports, they tend to lose their positive mental outlook and give up. As an athlete myself, I know that this situation is all too true.

Often all that is needed to turn a seemingly hopeless situation into the start of an amazing college career is a push in the right direction, and that is where I come in. I seem to have a knack for motivating athletes. So I decided to turn my gift into a socially positive service that prepares young athletes for the challenges of the next level. My company, CR Sports Management, bridges this high school to college gap. We help our clients balance academics and sports, while maintaining a healthy lifestyle and a positive mental outlook as they prepare for their college careers.

I have always dreamed of working in the Sports Management field. Until very recently I assumed that I would have to wait until I was much older to be able to get my start. Well, with the help of my Advanced Small Business Ownership teacher, Mr. Scott Steward, I discovered that there is no reason not to get started now. Even though I am currently only a senior at Gwendolyn Brooks College Preparatory Academy, I am also the owner of CR Sports Management. I charge my customers a small monthly retainer for my services. I have three clients with great potential to make it all the way to the NBA and I plan to be there every step along the way to help make it happen. After graduation I plan to go to the University of Illinois at Chicago and major in business and sports management.



**AlexCare**  
Mary Blackford  
Department of Business and Finance  
W.C. Workman High School

## THE PROBLEM: AMERICA'S DROPOUT CRISIS

America's education and workforce challenges have resulted from a complex mix of factors. Globalization and technology have altered work patterns and altered the skills needed to build successful work lives. Our educational institutions have not been able to keep up with the rapid pace of change, especially as it relates to technological advancement. Schools, especially middle and high schools, are struggling to provide their students with the fundamental tools to succeed academically and in life.

We believe that America's dropout crisis is a reflection of larger concerns. In many ways, high school dropouts are early warning signs of growing problems in the educational system. They are, in effect, a distillation of troublesome patterns. By effectively addressing the dropout crisis, we will also develop a host of solutions for other pressing educational challenges.

Until quite recently, we knew little about the extent of America's high school dropout phenomenon. Fortunately, a number of leading social researchers, such as Dr. Ruth Curran Neild, University of Pennsylvania, and Dr. Robert Balfanz and Nettie Legters, of John Hopkins University along with leading organizations like America's Promise, the Alliance for Excellent Education, and the Bill and Melinda Gates Foundation, are now shining a spotlight on what is being called "The Silent Epidemic." The magnitude of the symptoms are staggering.<sup>4</sup>

- Every 29 seconds, another student drops out of school.
- 7,000 students drop out of school every day; 1.2 million leave school over the course of a year.
- Nearly one-third of public high school students fail to graduate.
- Nearly half of African-Americans, Native Americans, and Hispanics fail to graduate high school.

These discouraging statistics tell only part of the story. Our failure to provide a strong educational base for

millions of American children has tremendous repercussions for them and their families, their communities, and for our nation as a whole.

The most pernicious effects of the dropout crisis are those that directly affect the students who have already dropped out. Over the short term, dropouts suffer disproportionately from a host of social ills. Pick a social problem, and you'll find that dropouts are more likely to be affected. These include:

- Crime and incarceration
- Unemployment and/or low-wage "dead end" jobs
- Teen pregnancy
- Reliance on government benefits
- Shorter life spans
- Poor health
- Civic disengagement

These problems soon ripple out into the wider community. The social ills listed above put tremendous pressure on individuals and families. They also generate huge costs for the rest of us as taxpayers. Overall, researchers estimate that each dropout generates extra societal costs of approximately \$260,000 over the course of his or her lifetime.<sup>5</sup> These added costs take the form of funds for crime prevention and government benefit programs, as well as a host of other costs that we often fail to appreciate. For example, the Alliance for Excellent Education estimates that the U.S. could save \$17 billion per year in Medicaid and the cost of health care for the uninsured if we were able to graduate all students from high school.<sup>6</sup>

Even worse, are the long-term economic consequences of an individual's decision to drop out. A high school degree and post-secondary education are the basic entry point requirements for a successful career in today's economy: most jobs will likely require additional education. Students cannot enter into prosper-

ous careers without this educational foundation. Over a lifetime, high school dropouts earn \$1 million less than the average college graduate. In effect, teenagers, many of whom are not yet ready to drive or to vote, are making a million dollar decision when they opt to drop out.

This lagging performance and growing inequality are occurring at a time when the global “war for talent” is heating up. America’s future competitiveness will suffer if our educational system sends poorly prepared workers, managers, and entrepreneurs into the workforce. Our young people will not be able to compete with countries such as India and China, which are becoming major sources of scientific and technological talent.

Finally, the dropout crisis’s real burden is one of opportunities lost. Behind the figures are young people whose full potential will never be realized. They could have become fully engaged citizens who raised happy families and enjoyed prosperous careers. They could also have become our next generation of entrepreneurial leaders and innovators.

The ongoing debate over STEM (Science, Technology, Engineering, and Math) education offers a case in point. Science advocates have contended that the U.S. education system is not producing enough qualified scientists, engineers, and technicians. Washington has responded with a host of initiatives, such as the America COMPETES Act, to bolster funding for STEM education. Yet, it will be difficult to nurture new scientists without expanding the pool of potential students through outreach to minority students, and, yes, increased attention to the dropout crisis. Further, we should not overlook the opportunity to commercialize innovations and integrate entrepreneurship as a component of STEM.

## The Causes of the Problem

The dropout crisis is no mystery; we have a good idea of what causes students to do it. Basically, we face a needs-resources mismatch. At-risk kids need more support, but teachers and administrators lack the resources to provide that essential safety net. Indeed, the most common cause of dropouts is a failure to thrive. Students struggle in school, they cannot get needed supports, so they continue to struggle and fall further behind. As this chasm between expectations and reality widens, students are tempted to take the line of least resistance: dropping out.

This pattern runs counter to what is often portrayed in the media, where dropouts leave school due to the temptations of life on the street and other outside factors. The reality is that dropouts tend to be pushed out of school, not pulled away.

While a variety of factors have led to the dropout problem, a few causes tend to dominate. Surveys of students show that:<sup>7</sup>

- 47% claim that their classes were not interesting
- 43% missed too many days and could not catch up
- 42% spent time with people who were not interested in school
- 38% felt they had too much freedom and not enough discipline in their lives
- 35% had failing grades

These statistics indicate that the dropout crisis is not simply the direct result of concentrated poverty. These structural conditions play a role, but an equally important factor results from the education system itself: our schools are not adequately engaging young people. Four of five of the above factors are related to school curriculum not reaching the personal interests of the students. Young people need to see a connection between what they learn in school and future success in life. *Relevancy is critical.*

## INTEGRAL TO THE SOLUTION: ENGAGING YOUTH IN ENTREPRENEURSHIP

Addressing the dropout crisis by engaging youth in school requires a whole host of solutions. There is no shortage of good ideas — ranging from specific interventions, such as longer school days, to more comprehensive school reform.<sup>8</sup> Three broad approaches directly address the issues of student disengagement.

First, we need to introduce new curricula and teaching methods that engage students and build a closer connection between school and work. Some students thrive through traditional book learning; others need to see the connection between their schoolwork and the so-called “real world.” These connections can be built in numerous ways. For example, career and technical education programs provide workplace skills that can be applied in connection with entrepreneurial experience. Service learning programs engage youth by combining education with service opportunities, such as working for neighborhood organizations or environmental groups, to practice social entrepreneurship.

Business leaders understand this connection. For example, the Council on Competitiveness has called for American schools to do more problem-based learning in order to develop an entrepreneurial mindset.<sup>9</sup> Many of the existing entrepreneurship programs provide experiences that encourage students to use their own judgment, creativity, idea generation, goal setting, and problem solving skills.

Second, we need to build a better support network for struggling students. Dropouts rarely appear out of nowhere. Many at-risk students show signs of potential trouble in sixth grade or even earlier. At-risk indicators, such as poor attendance, are widely understood and recognized by educators but lack of resources means that children fall through the cracks. If we want to engage them with new educational tools, we need to keep them in school. Thus, a strong early warning mechanism, along with the ability to respond and support at-risk kids, is needed.

Finally, we need to build an overall school climate that fosters rigorous academics, effective relationships in the community, and relevancy throughout the curriculum. Schools need to place higher expectations on students, and they must be held accountable on the most important measure: preparing students for success in the working world or post-secondary education.

### Entrepreneurship Education is a Relevant and Engaging Life Skill

Youth Entrepreneurship Education offers one effective means to address these challenges of engaging students, building stronger support networks, and nurturing a more rigorous academic environment in our schools. Entrepreneurship Education instills a fundamental life skill. Whether young people ultimately become entrepreneurs or work for others, they learn to invest in themselves and know they have options. Entrepreneurial Education and training prepares people, especially youth, to be responsible, enterprising individuals who contribute to economic development and sustainable communities. The education is not based solely 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. The core outcomes created via Entrepreneurship Education include:

- 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.

## What is Youth Entrepreneurship Education? Can it be Expanded in America's Schools?

Youth Entrepreneurship Education is a viable approach to engaging our students by helping them develop entrepreneurial skills and experience what it is like to start a business venture. Formal youth entrepreneurship curricula and programs have existed for decades and are building their research base, but the movement has recently begun to expand both here and abroad. This momentum is building on the interest that American youth display for entrepreneurship.

A recent survey in 2007 of American young people (ages 8-21)<sup>10</sup> found that:

- 40% of young people would like to start a business someday.
- 63% believe that if they work hard, they can successfully start a new company.
- 59% know someone who has started a business.
- 26% agree that starting their own business would be more desirable than other career opportunities.

Entrepreneurship Education differs from other business or economics education programs, and can complement most financial literacy curricula. These programs teach youth how the economy works and how to manage one's own finances. Entrepreneurship educators can and should provide this economic and financial foundation, and they also provide a much broader range of skill sets and teach young people

how to "invest" in their own potential. Youth from low-income communities will learn through entrepreneurship to make money doing something they enjoy while also learning personal finance skills and how to budget and invest.

Decades of experience indicate that these skills cannot be taught through classroom lectures alone. They are acquired through experiential learning where youths are exposed to the risks, ambiguities, and creativity of building a real-life business. In an effective Entrepreneurship Education course or experience, young people don't just learn the theory behind starting a business, they live it through a 'hands-on' application!

### "EMPOWER YOURSELF BY INSPIRING OTHERS"

by Evin Robinson  
Science Skills Center High School,  
Brooklyn, New York  
CEO, InspiRing

My name is Evin Robinson and I am the Chief Executive Officer of InspiRing, which creates and sells right-hand rings as symbols of female empowerment. I'm a senior at Science Skills Center High School in Brooklyn.

Growing up in a predominantly female household with a single mother, I had a front row seat to the struggles women face. So I took the lessons I was taught from my Entrepreneurship class and brought my ideas together to create my business. InspiRing allows me to give back, and will hopefully help me accomplish one of my long-term goals — opening a community center in my neighborhood to teach skills such as networking and communication, as well as expose kids to various career choices.

InspiRing's slogan — "Empower yourself by InspiRing others" — is about boosting young females' confidence and awareness of empowerment by being role models to others. Each InspiRing is handcrafted and comes with an inspirational quote to instill positive imaging. We plan to donate part of our yearly profit to Girls Inc., a nonprofit organization dedicated to inspiring young girls to be strong, smart and bold.

I am very excited about my future, as I know great things are waiting for me. My advice to anyone trying to start a business is to follow your dreams and be passionate about what you do. Don't let making a profit cloud your dreams — follow what's true to you.

# HOW DOES ENTREPRENEURSHIP EDUCATION WORK?

Youth Entrepreneurship Education comes in many sizes and flavors. There is no one single right way to bring it to the target audience, just as there is no one single right way to teach reading, math, or writing. Hundreds of organizations across the U.S. promote Entrepreneurship Education at the local level and a number operate nationally. The field of entrepreneurship education even operates its own consortium, the Consortium for Entrepreneurship Education ([www.entre-ed.org](http://www.entre-ed.org)).

These organizations operate in a variety of settings, from rural Appalachia to distressed urban neighborhoods to American Indian reservations to high-technology hot spots across the country. Each uses its own approach but they all agree on certain core principles.<sup>11</sup> Entrepreneurship Education does not just teach about how business or the wider economy works; it teaches a way of thinking and a way of approaching the world. The late Jeff Timmons of Babson College summarized the consensus very well when he noted:

*Entrepreneurship is the ability to create and build something from practically nothing. It is initiating, doing, achieving and building an enterprise or organization, rather than just watching, analyzing, or describing one. It is the knack for sensing an opportunity where others see chaos, contradiction and confusion. It is the ability to build a “founding team” to complement your own skills and talents. It is the know-how to find, marshal and control resources (often owned by others) and to make sure you don’t run out of money when you need it most. Finally, it is the willingness to take calculated risks, both personal and financial, and then do everything possible to get the odds in your favor.<sup>12</sup>*

While we believe that engaging youth is a primary purpose of Entrepreneurship Education programs, these efforts also contribute other community benefits as well. Among the most important is the role of entrepreneurship in developing the economies of local communities and in building wealth for local residents.

## Trend Analysis on Entrepreneurship

Over the past decade, community leaders across the US — and around the world — have embraced entrepreneurship as an important tool in building wealth and in building local economies. The concepts of microfinance and microenterprise, first pioneered by Nobel Prize winner Muhammed Yunus and Bangladesh’s Grameen Bank, are now a core component of international development strategies. Closer to home, over 4,000 University’s have built Entrepreneurship programs (up from two in 1960’s) and nearly every U.S. state now has an explicit set of policies and programs to nurture and support local adult entrepreneurs.<sup>13</sup>

There’s a good reason for this growing interest. Research shows that new, fast-growing firms account for the majority of innovation and new job creation in the American economy. In fact, these fast-growing “gazelle” businesses create roughly two-thirds of new jobs in our economy.<sup>14</sup>

These high-growth entrepreneurs are the source of great competitive advantage for the American economy. As Carl Schramm, President of the Ewing Marion Kauffman Foundation has put it:

*For the United States to survive and continue its economic and political leadership in the world, we must see entrepreneurship as our central competitive advantage. Nothing else can give us the necessary leverage to remain an economic superpower.<sup>15</sup>*

But entrepreneurship is not just about Apple, Google, or Starbucks. Entrepreneurship has a profound bottom-line impact on improving people’s lives. This effect is especially true for minority entrepreneurs. America’s minority population is among its most entrepreneurial. African-Americans, Asians, and Hispanics all start businesses at historically high rates. Table A depicts these patterns.

**Table A**  
**2002 Economic Census reports on**  
**Non-employer statistics (1997-2002)**

African-American firms:	Numbers Up 45%	Revenues Up 25%
Asian firms:	Numbers Up 24%	Revenues Up 8%
Hispanic firms:	Numbers Up 31%	Revenues Up 19%
All Businesses:	Numbers up 10%	Revenues Up 22%

While the overall number of minority entrepreneurs is growing, these companies face unique challenges. Many have lower revenues, lower growth rates, more limited access to outside capital and other resources. Take the case of firms owned by African-Americans, which are, on average, four times smaller than the average Caucasian-owned firm. African-American businesses also hire fewer people.<sup>16</sup>

These disparities have a number of causes, but major factors include the limited availability of specialized training and the absence of a long family history of business ownership. Because many new minority entrepreneurs have grown up without hearing about business discussed at the kitchen table, they may be less prepared for the challenges of a struggling business. If minority youth don't learn business at the kitchen table, they should have the opportunity to learn about it in school or at their local community center. Entrepreneurship Education thus serves as a path to upward mobility in multiple ways, by keeping students in school to complete their educations, and by providing the skills and knowledge that will allow them to build wealth through founding their own businesses.

Finally, Entrepreneurship education helps students build more successful careers regardless of whether they take the "entrepreneurial leap" or become a "in-trepreneurial worker" in someone else's business. The entrepreneurial "mindset" improves the productivity of all workers so everyone wins. In today's economy, successful careers require networking and flexibility that can be learned as students experience entrepreneurship education. The ability to promote the "brand called me" is becoming an even more important skill as the economy is more and more relying on contractors and consultants to perform the work organizations need to complete. Students can acquire these types of fundamental techniques which are critical components of an effective future worker in the workplaces of the world through entrepreneurship education. A personal "locus of control" helps students engage more effectively in their education experiences thus improving academic performance while in the education system. Entrepreneur education allows students the opportunity to develop skills essential for success in the market places of the 21st Century.

## MAKING ENTREPRENEURSHIP EDUCATION HAPPEN

Despite the many benefits of youth entrepreneurship programs, most young people do not have access to these educational opportunities. The leading programs, such as those operated by the National Foundation for Teaching Entrepreneurship (NFTE) and Junior Achievement (JA), serve tens of thousands of students from low-income communities each year. Yet, they are only touching a small part of the potential market. Few communities have embraced Entrepreneurship Education as an official and integrated part of their educational systems. In fact, only nine states have formal legislation that promotes Entrepreneurship Education at the K-12 level.<sup>17</sup>

Because Entrepreneurship Education programs often fall outside of a school district's formal curriculum, the field has grown slowly. Successful programs are in place across the U.S., yet we only have small pockets of excellence. There is no system in place that offers Entrepreneurship Education as an option for all students.

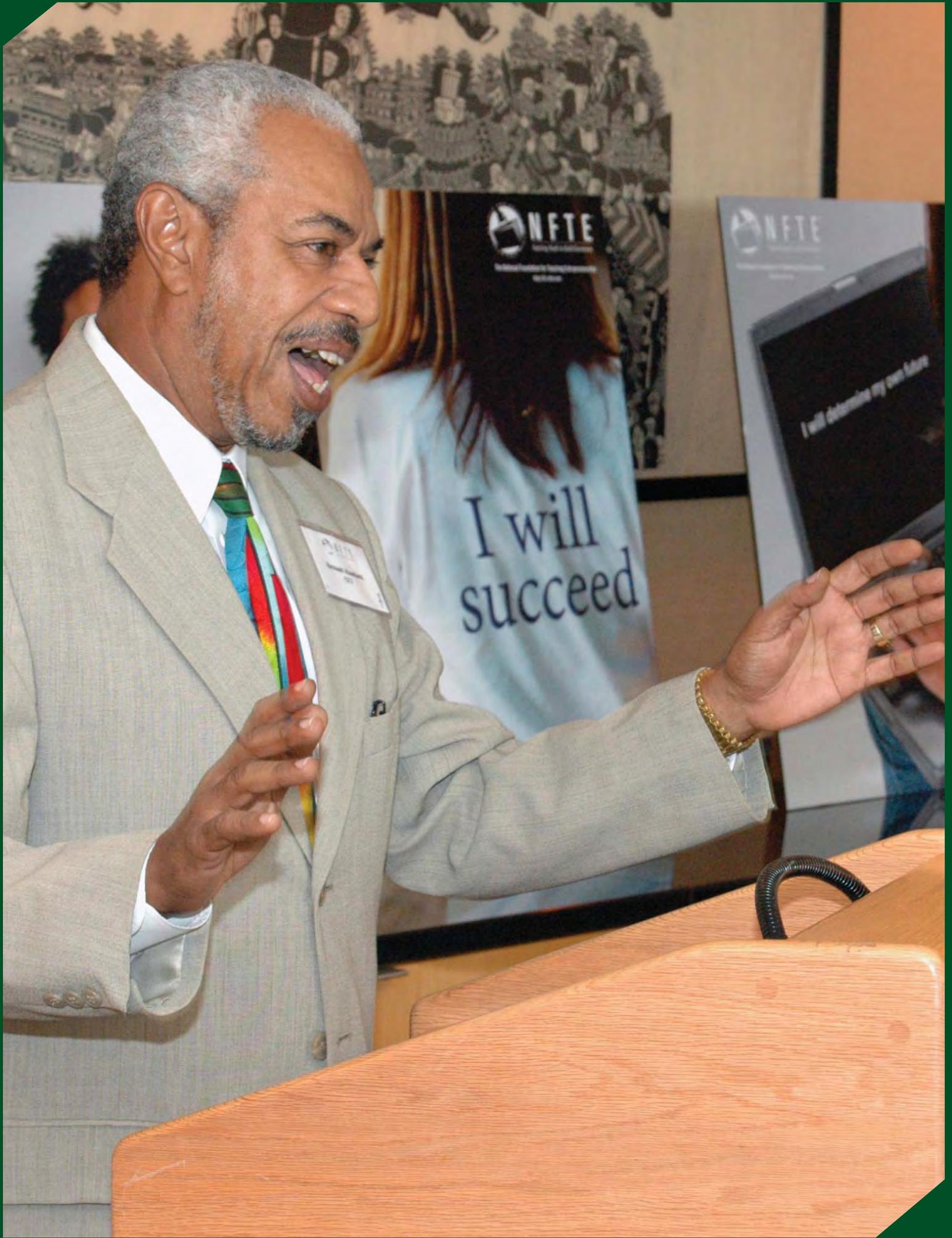
If this system were to be introduced, what would it look like? The first and most important step would involve state and school district adoption of a formal Entrepreneurship Education curriculum. This curriculum could be adopted "off the shelf" from existing 'best practice' products, or developed in-house.

As the curriculum is introduced into the schools, a commitment to professional development opportunities for teachers will also be required. Many teachers will be new to the world of entrepreneurship and require training in how to support these new courses. In addition, effective Entrepreneurship Education uses a host of new teaching techniques, such as distance education, experiential learning, problem-based learn-

ing, and team building. Effective use of these new methodologies will require a serious commitment to professional development.

Effective Entrepreneurship Education programs engage local entrepreneurs as mentors, coaches, speakers and role models. It's not enough to simply have teachers teaching a new class; new partnerships will be required. Partnerships with local business organizations, such as Chambers of Commerce, Small Business Development Centers, Entrepreneur's Organization (EO) or local civic clubs, such as a Rotary, are also an integral component of Entrepreneurship Education. These partnerships bring new ideas to a school's budding young entrepreneurs, but they also have an added benefit: they build stronger business-education partnerships across the board. As business leaders begin to mentor students, they will also be more likely to support other school programs. These businesspeople can bring a classroom to life with relevant real-world experiences and stories that teachers, many of whom lack direct business experience, would not be able to share.

Finally, school districts and community leaders must invest in effective and accurate evaluation efforts. It is important they understand the techniques and tools that work best in engaging youth and in producing the next generation of young entrepreneurs. As part of this effort, communities should also consider creating an Entrepreneurship Education Innovation Fund that provides targeted investments to programs, schools, and teachers who act like entrepreneurs by generating new innovations in the educational system.



## WHAT CAN POLICYMAKERS DO?

Effective Entrepreneurship Education programs will require that local, state, and Federal policymakers embrace Entrepreneurship Education as an effective tool for engaging youth and building the next generation of world-class entrepreneurs and a stronger more entrepreneurial workforce in America. Ideally, this effort should proceed in cooperation with business leaders, who have the greatest interest in seeing local youth stay in school and embrace entrepreneurship. Below are suggestions for leaders at each level .

### What Can Local Leaders Do?

At the local level, an ideal youth entrepreneurship initiative would include:

- All students at all local schools — especially potential “dropout factories”<sup>18</sup> schools with 40% or more of the students eligible for free and reduced meals — have access to entrepreneurship training.
- Available funds to support teacher training, curriculum and professional development, and to evaluate program design and outcomes.
- Strong partnerships between schools, businesses, and community organizations, so that business leaders can serve as mentors, coaches, and provide other support to local programs.

Effective Entrepreneurship Education begins in the classroom itself, so local action to encourage schools to offer such training is an essential step. While nearly everyone agrees that exposing youth to entrepreneurship is a good idea, it is often difficult to move from that basic consensus to a point where schools offer a formal Entrepreneurship Education course.

As requirements to teach the core academics become more stringent, educators have less flexibility to offer courses such as entrepreneurship or the creative arts. To date, Entrepreneurship Education has been implemented only when a visionary leader — sometimes a teacher, sometimes a school administrator — has made a personal commitment to make Entrepreneurship Education take root in the community. But waiting for a

local visionary is no way to build a sustainable movement that offers opportunities to area students. Some schools and communities will require a nudge in the form of incentives or other encouragement to consider implementing Entrepreneurship Education.<sup>19</sup>

These incentives could take many forms. A community might help defray the cost of teacher training. Most Entrepreneurship Education organizations provide extensive training and support for teachers. While some of these costs are subsidized, teachers must still find funds to pay for travel and needed supplies. Community foundations and other investors can help seed new programs and fill this gap.

Another form of incentive involves the Entrepreneurship Education curriculum itself. Current Entrepreneurship Education providers like NFTE and JA can provide the needed curricula, and schools will still need to align these programs with local, state, and federal standards. In this instance, schools should look to the Consortium for Entrepreneurship Education’s National Content Standards for Entrepreneurship Education,<sup>20</sup> which link the principles of Entrepreneurship Education to other educational outcomes. These content standards have been used across the U.S. and have also been adopted by the Partnership for 21st Century Skills.

Within schools, programs can operate in formal classrooms (such as business and marketing education) or as an additional in-school or after-school activity. For example, in Fannin County, Georgia, the local Chamber of Commerce partnered with Fannin County Schools to create Vision Quest, a yearlong program for 11th grade students who receive entrepreneurship training and are encouraged to start businesses in the local community. In Prince George’s County, Maryland, teachers now impart entrepreneurship to 120-plus students annually and have a two-year curriculum for the “entrepreneurship pathway” (connection from middle school to college to career or business ownership).

In addition to funding teacher training, many community organizations operate their own youth entrepreneurship programs. These projects can be hosted by a variety of groups, including Chambers of Commerce, local YMCAs, Boys and Girls Clubs, 4-H, Boy Scouts/Girl Scouts, youth detention facilities or other community-based organizations. Many localities operate summer camps that focus on entrepreneurship. In Iowa, the Jacobson Institute for Youth Entrepreneurship runs a series of summer camps that target both elementary and middle school students.

When communities embrace youth entrepreneurship, they certainly empower youth but also help strengthen community pride. Gainesville Florida's Buchholz High School Academy of Entrepreneurship (<http://www.spiritspotbhs.com/>) offers an excellent example of a comprehensive high-school based program. The Academy has operated for 14 years, providing a four-year course of study to more than 200 students annually. Students manage their own entrepreneurial ventures, and also help operate the Spirit Spot, a school-based store that sells snacks, supplies, and school souvenirs. The school is tightly linked to the surrounding business community. It participates in both Junior Achievement ([www.ja.org](http://www.ja.org)) and DECA ([www.deca.org](http://www.deca.org)), and also sponsors partnerships with the local community college and the University of Florida. In addition, the Academy sponsors a wide range of community events, such as a Film Festival, an Auto Show, and local business plan competitions. The program has received numerous state and national awards over the past decade.

Cleveland, Ohio, is another hot spot for innovation in the field of youth Entrepreneurship Education. Under the auspices of E-City ([www.ecitycleveland.com](http://www.ecitycleveland.com)), Cleveland has recently opened E-Prep (the Entrepreneurship Preparedness Academy), the city's first school devoted to the use of Entrepreneurship Education as a means to prepare kids for college. The program is now serving 6th – 8th graders, and the first-year results were quite impressive. In one year, E-Prep students saw a huge rise in average statewide proficiency levels — from 7% in reading and 20% in basic math, to 75% and 62%, respectively. In June 2009, the school has plans to run a month long youth BizCamp for all 8th graders.

Generation E, from Battle Creek, Michigan, has two copyrighted curricula that teach entrepreneurial skills through hands-on, student-based activities. The students learn how to unleash their imaginations and develop business ideas. After following the manual from ideas to business plans, the students operate their own business/service. The program is available statewide in Michigan.

ESI — “Entrepreneurship Investigation” from the University of Nebraska Extension is a collaborative effort between a Nebraska land-grant university, the state's community college system, the State Department of Education (K-12) and a former Congressman's field office that resulted in a new, experiential curriculum directed toward middle-school-age youth. This program has found that middle school youth respond well to experiential teaching methods. Several delivery modes have been successfully tested, including, clubs, camps, schools and a special event called “Cyber Fair,” which is held annually at the State Fair.

### What Can State Leaders Do?

At the state level, elected officials, education leaders, and the business community should unite in support of the following objectives:

- Adoption of state standards for youth Entrepreneurship Education.
- Creation of formal Entrepreneurship Education partnerships between primary and secondary schools, community colleges, and four-year institutions.
- Creation of a State Advocate or State Advisory Council for Entrepreneurship Education.
- Creation of a State Entrepreneurship Education Innovation Fund.
- Creation of Statewide Youth Business Awards Programs.

Including Entrepreneurship Education in formal statewide education standards is the first and most important reform that can occur at the state level. At present, only nine states include Entrepreneurship Education as a formal part of the K-12 curriculum. This basic step is an essential component in encouraging

teachers and school administrators to introduce Entrepreneurship Education into their own classrooms.

Beyond including Entrepreneurship Education in statewide curricula, a second important step involves partnerships at different levels in the education system. Colleges and universities have aggressively embraced Entrepreneurship Education in recent years. In fact, two-thirds of all U.S. colleges and universities now teach entrepreneurship.<sup>21</sup> Community college interest is similarly high, with a new National Association for Community College Entrepreneurship (NACCE) growing rapidly.

It makes sense for schools to tap into this emerging expertise. Colleges and universities can help provide training for teachers, development of new curricula, and mentorship for students. The Michigan Entrepreneur Education Network (MEEN)<sup>22</sup> offers one example of how these partnerships might operate. Started by the Small Business Association of Michigan, MEEN serves as a clearinghouse for the state's Entrepreneurship Education advocates. It also sponsors annual training conferences, helps design curricula and training materials, and publishes an inventory of programs across the state. It links educators at the university, community-college, and K-12 levels.

### Create State Advocate or a State Advisory Council

Several states have created a State Advocate for Entrepreneurship Education. This advocacy role is often based in a single, statewide office, but could also operate through a broader advisory council that includes educators, elected officials, business representatives, and other stakeholders. Every state now includes an informal group that helps build statewide networks of entrepreneurship programs at all levels and sponsors activities tied to National Entrepreneurship Week (next held from February 21-28, 2009). Global Entrepreneurship Week (November 2008) and National Minority Entrepreneurship Week (September 2008) are other initiatives that encourage the promotion of entrepreneurs. Some state governments have gone even further and created the formal position of a statewide Entrepreneurship Education advocate. Nebraska and West Virginia are good examples of this approach. In Nebraska, advocates in the Nebraska Department of

Education helped create NET-Force ([http://www.futureforcenebraska.org/Talent\\_PP/Entrepreneurship/](http://www.futureforcenebraska.org/Talent_PP/Entrepreneurship/)), a statewide effort to infuse Entrepreneurship Education at all levels of the education system. In West Virginia, an Entrepreneurship Coordinator operates within the State Department of Education. In this role, the Coordinator provides technical assistance to schools and teachers, advocates for Entrepreneurship Education training, and also manages partnerships with business and economic-development organizations. In Ohio's Department of Education, Workforce Development Office, a new Coordinator for 21st Century Skills has been charged to establish entrepreneurship across the K-12 system beginning in the 2008-09 school year.

### Create a State Entrepreneurship Education Innovation Fund

While effective Entrepreneurship Education programs share common principles, there is no one best way to engage youth in the process of thinking and acting like entrepreneurs. Creativity and innovation on the part of educators and other partners are critical. And states should consider creating small pools of funding to help stimulate such innovation. These funds could be managed by a state advocate or advisory council, or by a state Department of Education. The fund would provide small seed grants — to support teacher training or development of new Entrepreneurship Education models — that would help advance the field. The fund could operate as a demonstration grant program or as an annual competition. At the regional level, the Appalachian Regional Commission operated the Springboard Awards in 2002 and 2003, which provided modest grants (\$2,000) to exemplary programs. This relatively small seed funding helped provide outside recognition to local programs, as well as encouraged other Appalachian communities to embrace youth Entrepreneurship Education training. At the national level, the Coleman Foundation has sponsored elevator grant competitions for high-school and college-level programs at various annual conferences.

### Create State Award Programs

State business plan competitions or Youth Entrepreneur of the Year awards programs are a high-impact, low-cost way to get young people excited about entrepreneurial careers. Numerous business plan com-

competitions, such as the NFIB Young Entrepreneur of the Year awards, exist at the national level, but many states also sponsor their own efforts. Good examples include Iowa's Pappajohn Centers programs, which also provide small seed grants (up to \$400) to help local leaders to set up their own competitions. Both West Virginia's business plans and North Carolina's "Hop on the Bus" competition, targeting grades 9-12, present other excellent models.

Most of these statewide competitions target high school students or even students at the college level. Some states have moved to engage students before high school. The Youth Entrepreneurship Showcase (YES) for Arkansas is a statewide business plan competition for students in grades 5-8. West Virginia has sponsored an annual Lemonade Stand event, where elementary schools compete to have the most creative, innovative, and profitable lemonade stand. The students set up their stands in the rotunda of the State Capitol.

While many states operate innovative Entrepreneurship Education programs, North Dakota's Marketplace for Kids ([www.marketplaceforkids.org](http://www.marketplaceforkids.org)) may be one of the best-established. Begun in 1995 in Jamestown, the Marketplace now operates across the state and annually serves 16,000 youths in grades 4-6. Students receive entrepreneurship training and then develop new business ideas that they present at ten Marketplace Days, held across the state. The North Dakota Chamber of Commerce is a co-sponsor and sends a team of businesspeople to each of these events to coach the students. The Chamber facilitates patents for the students by having attorneys at each Marketplace Day. The program has been hugely successful, has strong support from key state leaders, and has received funds from the U.S. Department of Education.

### What Can Federal Policy Makers Do?

Because most investment for education occurs at the state and local levels, the federal government assumes an important advocacy and supporting role to ensure the expansion of promising best practices nationwide. Federal agencies and programs focus on investing in best practices, information sharing and dissemination, and in providing additional support and resources for communities or students with special needs. Federal agencies will likely assume a similar role when it comes to promoting Entrepreneurship Education and can commence

the national dialogue on preparing youth with the skills needed to compete in the 21st Century.

While policy decisions will likely be generated at the state and local levels, this does not mean that federal policymakers should be hands-off. There are a number of critical areas where federal investments are required to ensure that states and localities can effectively introduce Entrepreneurship Education in schools and community organizations. In addition, federal policymakers need to support efforts that align national initiatives with ongoing efforts at the state, regional, and local levels.

Within these broad categories of supporting policy alignment and investing in education innovations, several specific action items stand out:

### No Child Left Behind Act

As Congress prepares to reauthorize the No Child Left Behind Act, it should consider new standards for Entrepreneurship. Entrepreneurial literacy should be included as an accompaniment to current standards for reading and math literacy. In addition, a pilot program to provide entrepreneurship education to a statistically significant middle- and high-school population would provide invaluable information to support initial research on the effectiveness of Entrepreneurship Education in reducing drop-out rates, increasing relevance of core curriculum and promoting financial literacy and community economic development.

### Higher Education Act

New efforts to promote Entrepreneurship Education can also be generated in the Higher Education Act. A newly proposed program called Path to Success is especially promising on this front. This program would fund community-college-based initiatives that target at-risk and low-income youth, including ex-offenders, and place a special emphasis on helping these individuals re-enter the workforce. It is expected that many of these local programs will emphasize Entrepreneurship Education due to its proven capacity to engage at-risk youth and provide needed life skills.

### Financial Literacy

President Bush has recently appointed a President's Advisory Council on Financial Literacy, with the

important charge of improving federal support for financial literacy education. This is an important initiative, especially in wake of the current sub-prime mortgage lending and economic crisis. Entrepreneurial education is an effective way to present critical financial tools to young people in a format that is both relevant and accessible. Where possible, programs in economics and Entrepreneurship Education should also be promoted and supported by the Advisory Council under the U.S. Treasury Department as young people need to learn how to invest in themselves, make money, and learn how to manage their assets. In many youth entrepreneurship programs, young people are helping their families with basic needs and shoulder great responsibility. One NFTE teacher in Prince George's County reflected that four of her top students have helped their parents financially with purchasing their first homes in the past two years. The Advisory Council and other stakeholders should also commit to making these resources more readily available to those in need and work with the Department of Education, DOL and other State departments on a scalability plan to expand youth entrepreneurship and financial education to all America's youth.

The best way to communicate to those lacking awareness of financial education resources is to make the resources available and accessible in existing gathering places in the community — public facilities utilized by members of the community. These existing places include, and are not limited to, schools, libraries, public recreation facilities, and local government offices. By leveraging the resources of practitioners and other professionals, awareness and access to resources can be met.

### Workforce Development

Entrepreneurship Education can be and has been incorporated into ongoing programs managed by the Department of Labor. In particular, the Office of Workforce Investment's (OWI) Division of Youth Services is an appropriate place for these initiatives. In 2007 & 2008, leaders of the YES Group have been meeting with ETA and Whitepapers have been submitted. This office has a mission of preparing at-risk youth to become effective job seekers. We believe that these young people can also become job creators and equity builders by starting their own ventures.

### “I SAID YES! MY OWN BUSINESS”

by Fantashia S. Stevens

My name is Fantashia S. Stevens; I graduated from Jane Addams Business Careers Center High School. I currently go to Cuyahoga Community College, in Cleveland, Ohio and am transferring to Savannah College of Art and Design in Savannah, Georgia. I am going to college to study Fashion Design and Business Management. The business I started is Fizzalae Botanical Blends. I make customized bath and body products from all-organic materials for people with sensitive skin and personal hygiene needs, as well as operating a Bed and Breakfast in Ohio.

I completed the E-CITY program in the spring of 2003 at Alexander Hamilton Middle School in Cleveland. I did not place in my class competition but since then have won 10 awards. The E CITY program gave me my confidence and helped me to pursue a job as Junior Partner of a Ben and Jerry's Kiosk at Hopkins International Airport. I was an honoree of an event that we have here in Cleveland called the Three Guys Event; I was also honored for entrepreneurship at the Cleveland Ernst and Young Entrepreneur of the Year Awards banquet. I've been on television three times and have spoken at the E CITY Annual breakfast that we have every year. I've had several articles written about me in Crain's Magazine, and several other local publications. I've been able to meet some of the top executives in the world. People know who I am now!

While in the program I was preoccupied and kept out of trouble. I made new friends and learned the value of a dollar at a young age. My first official job was when I started my business, they taught me to be persistent. I learned all types of useful information by the time I graduated from the class I was able to check stocks, file my own taxes, and create a budget for anything as well as how to write a business plan. One guy even told me that he was in his thirties before he found out about the word entrepreneur. It made me feel good to know something that someone triple my age didn't know. I stayed out of trouble while in the program and calmed down a lot with my hanging on the streets. I got so consumed in my business that I was living it, my whole life surrounded around my business. I was able to start young doing what I love the most.

Entrepreneurship education is good for kids because it's not just about running a business it's also about running your life. The entrepreneurship side is just a plus. The future depends on our generation and if we all learned how to run our own business then we would be able to live in a fully functional community.

The mere fact that a kid knows about entrepreneurship is a plus in the job field. Society is split into two sections; those that work for themselves and those that work for others. In learning entrepreneurship you learn how to do both so you can work for yourself and work for others and are ahead of the curve.

To date, the Division of Youth Services has made important contributions through programs like Youth Build, the Prisoner Reentry Initiative, and other related efforts. These worthy initiatives need to be supplemented with new investments that promote entrepreneurship as another path for youth from low-income communities. In fact, OWI should consider creating a demonstration grant program that tests various approaches to providing Entrepreneurship Education resources to low-income youth.

### Community Reinvestment Act

First enacted in 1977, the Community Reinvestment Act (CRA) requires that banks and other financial institutions invest a portion of their holdings in disadvantaged communities and businesses. To put it simply, CRA requires that banks invest where they do business. Since its enactment, CRA has helped stimulate billions of dollars of new investment and new services in distressed communities.

CRA lending and investing have been used for a variety of purposes. Typical uses might be for the construction of affordable housing, support for financial planning consulting, or for lending to minority-owned businesses. At present, CRA regulations do not explicitly permit the use of CRA credits to support youth Entrepreneurship Education. This situation should be remedied so that youth Entrepreneurship Education is explicitly listed as an approved “community development service.” Youth Entrepreneurship Education clearly meets the spirit and intent of CRA’s support for “community development services.” By providing financial literacy, business skills, and career development, Entrepreneurship Education empowers young people and helps build stronger communities. This shift in emphasis can occur via changes in regulation, or, if needed, via a legislative mandate.

### Regional Development

Youth entrepreneurship training is becoming a more important component of federally backed regional development initiatives. The Department of Labor’s WIRED (Workforce Innovation in Regional Economic Development) is a case in point. WIRED has invested more than \$325 million in 39 different regional initiatives that seek to design and implement innovative economic development strategies. A good number of these

include funding for Entrepreneurship Education. Any future WIRED investments, or investments in similar regional programs, should include explicit support for Entrepreneurship Education as an approved activity.

The U.S. Department of Labor is also currently funding several other important efforts. Under the president’s High Growth Industries initiative, the agency is seeking new tools that integrate entrepreneurship services into the Workforce Investment system. In addition, Project GATE (Growing America through Entrepreneurship) is testing new approaches that provide entrepreneurship training to displaced workers and others seeking employment assistance.

In addition to future Department of Labor projects or similar regional investments, youth entrepreneurship programs may also be able to tap into new funding sources created in the 2007 Farm Bill. The bill created a new Rural Micro Entrepreneur Assistance program to fund local and regional rural microenterprise and Entrepreneurship Education efforts. The program is funded at \$15 million for 2009, and \$40 million annually in subsequent years. Program details are still being determined, but this effort should include new supports for rural youth Entrepreneurship Education.

### Entrepreneurship Education Clearinghouse/Advocate

Because entrepreneurship is at the heart of so many diverse challenges in America, it is universally popular. But Entrepreneurship Education as a policy is not explicitly recognized as an essential contributor to educational change, economic development, workforce development, juvenile delinquency, anti-poverty, micro-enterprise, and small business success. Because entrepreneurship can cut across so many policy areas and disciplines, it is often difficult for community leaders to identify effective support programs and strategies. A federal clearinghouse that shares information on these policies could make an important contribution in disseminating effective models and “best practices.”

Recently, the U.S. Small Business Administration created its own Office of Entrepreneurship Education to serve as an advocate for Entrepreneurship Education. In addition to supporting new policy developments, this initiative would combine SBA’s current online

education programs, business and community initiatives, and ongoing youth outreach efforts. This Office could assume the important federal role in improving the dissemination of information. This is an important first step, but other Federal cabinet-level agencies, especially the Departments of Education and Treasury, must also assume more prominent roles as government-wide advocates for youth entrepreneurship.

### Institutionalize National Entrepreneurship Week and Global Entrepreneurship Week

Finally, policymakers should continue to support national and global recognition of National Entrepreneurship Week (February 21-28, 2009) and Global Entrepreneurship Week (November 17-23, 2008). The vision of the Congressionally-mandated National Entrepreneurship Week is to expand the visibility of Entrepreneurship Education everywhere and institutionalize the celebration of American entrepreneurs and the lifelong learning educational opportunities that will prepare the business leaders of the future.

Global Entrepreneurship Week was begun with support from the Ewing Marion Kauffman Foundation, but now includes hundreds of partners from around the globe. It expands on the vision of National Entrepreneurship Week by linking U.S.-based efforts to similar initiatives underway in more than 70 other countries. During the course of the week, thousands of young people around the world will engage in workshops, competitions, and other programs that are designed to encourage them to embrace invention, innovation, creativity, and imagination. These celebrations offer an excellent means to spread the word about the power of entrepreneurship and to get young people excited about the possibilities of owning their own businesses. As we celebrate the contributions of entrepreneurs in our economy we honor those individuals who have contributed to making our economy the job generator it has been. These celebrations also allow students and parents to see entrepreneurship as a career option for becoming self sufficient in the future market places of the world.

## CONCLUDING THOUGHTS

The unique characteristics of Entrepreneurship Education make it ideally suited to help address many aspects of the crisis facing America's workforce. For example, these initiatives can help us address our growing dropout crisis. Research into the factors that cause dropouts indicate that many students feel disengaged and bored in school. Entrepreneurship Education offers a means to attack this lack of engagement head on.

Yet aggressive entrepreneurship education can provide other significant benefits as well.

Entrepreneurship Education helps instill an entrepreneurial mindset — a critical mix of success-oriented attitudes of initiative, intelligent risk-taking, collabo-

ration, and opportunity recognition. This mindset is one of the real “secrets” of America's prosperity as it helps drive the creativity and innovation of our workers, our companies, and our entrepreneurs. This engine of innovation will be the primary driver of our future economic competitiveness. If we want America's young people to be fully prepared to succeed in the 21st century, nurturing an entrepreneurial mindset — via widespread use of youth entrepreneurship education programs — must become a core part of the American educational system.

## EPILOGUE: SOMETHING YOUTH CAN SAY YES! TO

By Julie Silard Kantor

Vice President, The National Foundation for Teaching Entrepreneurship  
(NFTE Office of Public Policy) and  
Director, The Youth Entrepreneurship Strategy Group (YES Group)

I have gone to so many conferences and briefings over the last few months, and met with so many fascinating experts, that my head is spinning with endless data points and facts on the subject of high-school dropout rates and America's competitiveness in the global marketplace.

I am reflecting now on why our cause — entrepreneurship education for low-income youth — matters so much, especially considering the current economic crisis. The stakes are high, since it can actually be part of the solution to one of our country's greatest challenges: how to bring economically at-risk young people into mainstream society.

Not only is this an important contemporary civil rights issue, as power and influence in this country rests with those who own (it is worth considering that we teach our students to be employees but not to be owners), but it is an issue of America's future and competitiveness. It is important to also point out that entrepreneurship is a fundamental life skill. Most employers these days want to hire a more entrepreneurial workforce, and a 2006 survey by Junior Achievement found that 71% of middle and high school students wanted to be self-employed at some point, up from 64% in 2004. In 2006, the National Center on Education and the Economy (NCEE) released a critical report calling for a major overhaul of the country's educational system. A report titled "Tough Choices, Tough Times," written by YESG's Vice Chairman, Thomas Payzant, highlights the link between education and the economy and provides policy recommendations for America's schools.

Our 1.2 million dropouts costs over \$329 billion in lost wages annually — according to Bob Wise,<sup>23</sup> who spoke to the YES Group at the Aspen Institute's Wye Center, where there was also compelling research presented by Robert Balfanz of the Center for Social

Organization of Schools at Johns Hopkins University about high school dropouts (see page 21).

The decision to drop out is a one-million-dollar decision in lost wages for each child who makes it. Further, 90 percent of the fastest-growing employment categories in America require a college degree — our kids won't be able to compete — many more jobs will have to go overseas. In addition to Balfanz's eye-opening research, I encourage you to read John Bridgeland's "The Silent Epidemic."<sup>24</sup>

General Colin Powell recently spoke at an event for America's Promise that I attended to kick off the Drop-Out Summits that will be taking place in 50 cities — to bring national awareness to this epidemic. As General Powell notes, the dropout crisis impacts our economy and even our national security. We cannot remain a world superpower if we do not give our children the resources they need to succeed.

The number one predictor of a child's future success is whether he or she will graduate — we can't afford to let nearly one-third of our kids fail. Powell confirms that just conferring a diploma is not enough. Students must graduate with the knowledge and skills necessary for success in college, work, and life.

Bridgeland interviewed high school dropouts and asked them why they dropped out of school:

81% said they would not have if the subjects were more relevant to real life.

Teaching children how to make it financially (and we are strong proponents of the growing financial literacy movement), how to own their futures as economically productive members of society, is both real life and relevant. Getting business leaders into classrooms to share their expertise and optimism is key. Youth entrepreneurship engages young people and gives them a

good reason to go to school. The drug war taught kids to say No to drugs. Starting a legal enterprise is a concept our young people can say Yes to. Some salient facts:

Research by the Harvard Graduate School of Education has found that students, having taken a 50-plus-hour course from NFTE, show:

- increased interest in attending college and heightened career aspirations
- increased feeling of control over their lives
- increased leadership behaviors

Findings from internal evaluation, conducted nationally through an online system called TEAMS, further indicate that contact with NFTE:

- increases engagement in school
- increases students' sense of connection with adults in business and the community
- increases independent reading
- Increases business and entrepreneurial knowledge

Balfanz maintains that youth entrepreneurship is:

- a reason for kids to come to school
- an avenue for short-term success
- a help in providing a clear pathway to adult success
- a way to develop neighborhood assets

Did you know that, according to the Department of Labor, the average American will have 8 to 10 jobs by the age of 38? If I were going to have so many positions, I'd sure look at myself differently — as less of an employee and more as a free agent. I'd want to hone my entrepreneurial and networking skills, and more — just to survive.

Many years ago, a NFTE graduate and business owner, Michelle Araujo, summed it up:

*My dream is not to die in poverty, but to have poverty die in me!*

We need to fast-track our work so we reach these kids and not lose another generation of students before we can teach them to fuel their dreams and have belief in their own potential. We hope you will join us and say YES! to education for all of our young people to explore their entrepreneurial potential, especially those in low-income communities.

## ENDNOTES

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<sup>1</sup> Norman Augustine, *Is America Falling off the Flat Earth?*, (Washington, DC: National Academies Press, 2006), p.19.

<sup>2</sup> Titus Galama and James Hosek, *US Competitiveness in Science and Technology*, Santa Monica, CA: RAND Corporation, 2008).

<sup>3</sup> Galama and Hosek.

<sup>4</sup> To learn more, see John M. Bridgeland, John H. DiIulio, Jr., and Karen Burke Morison, *The Silent Epidemic: Perspectives of High School Dropouts*, Washington, DC: Civic Enterprises, 2006. Hereafter referred to as *The Silent Epidemic*. Available at [www.silentepidemic.org](http://www.silentepidemic.org)

<sup>5</sup> Celia E. Rouse, "Labor Market Consequences of an Inadequate Education," 2005 Working Paper, cited in Alliance for Excellent Education, "The High Cost of High School Dropouts," Issue Brief, October 2007. <http://www.all4ed.org/files/HighCost.pdf>

<sup>6</sup> Alliance for Excellent Education, "Healthier and Wealthier: Decreasing Health Care Costs by Increasing Educational Attainment." Washington, DC: Alliance for Excellent Education, 2006.

<sup>7</sup> *The Silent Epidemic*, p. 3.

<sup>8</sup> See, for example, Thomas K. Glennon, Jr., Susan J. Bodilly, Jolene R. Galagher, and Kerri A. Kerr (eds.), *Expanding the Reach of Education Reforms: Perspectives from Leaders in the Scale-Up of Educational Interventions*, National Council on Competitiveness, Innovation Initiative Summit, December 2004, Santa Monica, CA: RAND.

<sup>9</sup> Council on Competitiveness, *Innovate America*, National Innovation Initiative and Summit Report, May 2005. Available at <http://www.compete.org/publications/detail/202/innovate-america/>

<sup>10</sup> "Kauffman Foundation Survey Finds Youth Energetic about Entrepreneurship," Kauffman Foundation Press Release, December 10, 2007. Available at [www.kauffman.org](http://www.kauffman.org).

<sup>11</sup> These principles were developed by the Consortium for Entrepreneurship Education. See "Criteria for Youth Entrepreneurship Education" at [www.ente-ed.org/criteria](http://www.ente-ed.org/criteria).

<sup>12</sup> Quoted in Ibid.

<sup>13</sup> See, for example, National Governor's Association, *A Governor's Guide to Strengthening State Entrepreneurship Policy*, Washington, DC: NGA, 2004.

<sup>14</sup> Council on Competitiveness, *Where America Stands: Entrepreneurship*, Washington, DC: Council on Competitiveness, 2007.

<sup>15</sup> Quoted in ibid

<sup>16</sup> Robert Fairlie and Alicia Robb, "Why are Black-Owned Businesses Less Successful than White-Owned Businesses? The Role of Families, Inheritances, and Business Human Capital," *Journal of Labor Economics*, (2007), Vol. 25, no. 2., pp. 289-323.

<sup>17</sup> Kyle Zinth, "Entrepreneurial Education Laws in the States," Washington, DC: Education Commission of the States, February 2007.

<sup>18</sup> The term "drop out factory" refers to a high school where less than sixty percent of incoming ninth graders remain in school into their final senior year. Overall, roughly 2,000 US high schools meet this definition. These schools represent fourteen percent of all US high schools, but account for about half of all US high school drop outs. See Robert Balfanz and Nettie Legters, "Locating the Drop Out Crisis," Center for the Organization of Schools, Johns Hopkins University, June 2004. Available at: [http://www.csos.jhu.edu/tdhs/rsch/Locating\\_Dropouts.pdf](http://www.csos.jhu.edu/tdhs/rsch/Locating_Dropouts.pdf)

<sup>19</sup> For examples of other local programs, see Appalachian Regional Commission, *Appalachian Youth Entrepreneurship Springboard Award: 2002 and 2003 Winners*, Washington, DC: ARC, 2004.

<sup>20</sup> Available at [http://www.entre-ed.org/Standards\\_Toolkit/](http://www.entre-ed.org/Standards_Toolkit/)

<sup>21</sup> Judith Cone, "Teaching Entrepreneurship in Colleges and Universities: How (and Why) a New Academic Field is Being Built," Kansas City: Kauffman Foundation, 2008. Available at: <http://www.kauffman.org/items.cfm?itemID=716>

<sup>22</sup> To learn more, visit <http://www.sbam.org/content.php?id=711>.

<sup>23</sup> President of the Alliance for Excellent Education.

<sup>24</sup> John M. Bridgeland, et al., *The Silent Epidemic: Perspectives of High School Dropouts*. A report issued in association with Peter D. Hart Research Association for the Bill & Melinda Gates Foundation. Washington, DC: Civic Enterprises, March 2006.

## ACKNOWLEDGMENTS

First and foremost, the Youth Entrepreneurship Strategy Group would like to thank its sponsors, E\*TRADE FINANCIAL and The Aspen Institute. If not for the vision of these steadfast partners, the accomplishments of YES GROUP would not have been possible. We are deeply grateful for their unwavering commitment in the funding and support for this initiative. The YES GROUP also thanks The Burton D. Morgan Foundation for its generous contribution and engagement.

The YES GROUP is grateful to have had the very capable Erik Pages, of EntreWorks Consulting, leading the project with our very talented YES GROUP Director and NFTE Vice President of Public Policy, Julie Silard Kantor. Erik is a consummate professional and was a joy to work with.

We extend our sincere appreciation to all of our YES GROUP members for their dedication to our mission, and particularly those whose extra efforts proved vital to the quality of this publication — namely: Stephanie Bell-Rose (Chairperson); Thomas Payzant (Vice-Chair); Cathy Ashmore; Deborah D. Hoover; Bruce Dunbar; Celie Niehaus; Irv Katz; Marc Spencer; Michael J. Caslin; Andy Hahn; and Diana Davis Spencer, as well as the Goldman Sachs team, which included Lisa Calandra; Anuja Khemka; and Juan Sabater; and we want to highlight as well from the Consortium for Entrepreneurship Education, Horace Robertson.

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Finally, to those who contributed to our success but were not mentioned above, we extend our sincere appreciation.



## TOP LEADERS ARE SAYING YES! TO YOUTH ENTREPRENEURSHIP EDUCATION IN AMERICA'S SCHOOLS

### WHAT STUDENTS AND TEACHERS ARE SAYING...

*I realized that I had goals and plans for my future. I realized that I wasn't going to let anyone or anything get in the way of my dreams. Entrepreneurship is no longer a hidden talent of mine, but is my reality. Now I'm on my way to studying business in college.*

– Braulio Salas, CEO & President, Virtual Art Gallery, Inc.

*I'm a sixteen year-old junior at the Marymount School in New York. I used to associate entrepreneurship with "Wall Street Types," those men and women in great suits who seemed to be the brains behind the world's newest and most innovative products and services. Through my entrepreneurship class in Summer 2007 sponsored by Goldman Sachs at Prep for Prep, I began to grasp a true understanding of what it means to be an entrepreneur. I was right, initially, to believe that entrepreneurs were the harbingers of skillful innovation. They are not, however, concentrated only in the Wall Street area but instead are from all over, and come from various walks of life. The local delis and supermarkets, that chic boutique that has all this season's "must-haves", and even the hot-dog cart on the street are all entrepreneurial enterprises. Sooner or later, I knew I was going to join that group.*

– Gabrielle Green, President, Longevi-Teas™

### WHAT GOVERNMENT LEADERS ARE SAYING...

*We need to equip today's aspiring entrepreneurs with every tool possible to succeed. That means making sure they receive a strong financial education that prepares them for the unique challenges and opportunities of the 21st century. A solid background in finance and business skills will help the next generation to compete and succeed.*

– Sen John Kerry, Chairman  
Committee on Small Business and Entrepreneurship

*Entrepreneurship training provides at-risk youth an opportunity to learn how to function in the marketplace and strengthen their community's economy. High quality entrepreneurship training can help ensure a better quality of life for the individual entrepreneur and their community as a whole.*

– House Education and Labor Committee Chairman George Miller

*The most important economic stimulus package our nation can develop is combining quality education with an entrepreneurial attitude to meet the crisis of over one million high school dropouts a year. We need to teach our youth to be ‘owners’ of their lives. I Say YES! to youth entrepreneurship education in our nation’s schools.*

- Governor Bob Wise, President, Alliance for Excellent Education, Former Governor, West Virginia

*Youth entrepreneurship offers the promise of encouraging rural students to see that their opportunities can be greater than working in the local mill or mine. The skills provided by these programs might not be used right away, but the spark is one that can be nurtured for years – and carried back home to start that business and provide jobs, opportunity, and hope in their home town.*

- Ray Daffner, Appalachian Regional Commission

## **WHAT EDUCATIONAL LEADERS ARE SAYING...**

*Preparing today’s students for success and eventual leadership in the new global marketplace is the most important responsibility in education today. Providing them [youth] with guidance and opportunity at the most critical junctures along their educational journey can have a profound impact. Entrepreneurship education is an important tool in achieving these goals.*

- Stephanie Bell- Rose founding president of the Goldman Sachs Foundation & Thomas W. Payzant, Professor at the Harvard Graduate School of Education and Former Superintendent of Boston Public Schools

*The economic engine of America is fueled by the creativity and entrepreneurial spirit of its people. The most important thing we can do for our future is to nurture these values in our young people by providing educational opportunities for them to explore and learn about entrepreneurship. All of us in education should do what we can to inspire our students, build upon their interests and native curiosity, and engage them in meaningful learning.*

- George R. Boggs, President and CEO, American Association of Community Colleges

*NEA applauds Youth Entrepreneurship Education in America’s Schools. Today’s students will work in multiple jobs over the course of their careers, possibly working for themselves, and this requires entrepreneurial skills. Not only must students have subject matter knowledge, but also they need 21st century skills to problem-solve, work with diverse people, and develop sophistication about areas affecting their personal well-being, such as how to make good choices about their financial security. This can be a very exciting future for students -- but they must be empowered with knowledge and skills.*

- John I. Wilson, Executive Director, National Education Association

*To thrive in our new world, our students need strong analytical, communication and interpersonal skills. They must be more entrepreneurial, willing to take risks and able to tolerate greater ambiguity. These challenges and opportunities compel us to reexamine our current education practices and banish any assumptions that what was good enough for us is good enough for our kids. This implies doing what works and transforming what doesn’t.*

- Gene R. Carter, Executive Director, Association for Supervision and Curriculum Development (ASCD)

*Entrepreneurship provides students with the knowledge and skills necessary to build a successful career. These students learn lessons that can be applied in other areas of their life, such as leadership, math, writing, and speaking skills. Youth should be encouraged to take courses that enhance their understanding of business and financial matters and provide youth with confidence to follow their dreams in owning their own business.*

– Jan Bray, Executive Director, Association for Career and Technology Education

*Ideas like entrepreneurship education show that we can engage kids in ways that are relevant to their lives and teach them the content and skills they need to be successful. Entrepreneurship isn't just about business, it's about problem solving, critical thinking, and tenacity, skills that we want all students to leave school with regardless of their career path.*

– Andrew J. Rotherham, Co-Founder and Co-Director, Education Sector

*Learning how to bring new ideas into the world through entrepreneurship empowers young people to develop their talents and confidence while helping their communities. Entrepreneurship education helps connect youth to their futures by enabling them to see how possibilities can become realities.*

– Linda Darling-Hammond, Charles E. Ducommun Professor, Stanford University and Education Policy Advisor to Sen. Barack Obama

*I believe that American youth are among the world's most imaginative populations, constantly inventing and reinventing themselves and the country's youth culture, and forming businesses... Entrepreneurship education requires three things: well-targeted programs in places of greatest need, expansion, and a steady focus on providing high-quality training. As a nation of innovators, we can do it all.*

– Andrew Hahn, Professor at the Heller School for Social Policy and Management, Brandeis University

*Education and entrepreneurship are two pillars of the America's free enterprise system. All members of society benefit from a strong economy. A way to bolster the markets of the future is to plant the seed of entrepreneurship in the minds of our country's youth today. Encourage creativity, innovation, risk-taking and, most of all, encourage our youth to pursue their dreams.*

– Michael T. Victor, President, Lake Erie College

## **WHAT BUSINESS LEADERS ARE SAYING...**

*Without role models and examples of successful business people in their own communities, our youth often see the American Dream as either 'hype' or a pipe dream. Our young people need to know they have a viable place in our market economy. NFTE is part of the solution to bring entrepreneurship to the young people who need it most. It's a leveraged organization that will have a great ROI for our city and nation.*

– Ted Leonsis, Vice Chairman, AOL, LLC; Owner Washington Capitals

*Every child needs hope and opportunity. Hope and opportunity are driven by education. If a child does not have opportunity in his or her education hope and opportunity dissolves. You get unrest and despair and violence. If you train more entrepreneurs they create more jobs and opportunities. We need to multiply that. The better job we do the safer the world will be.*

– Craig Barrett, Chairman Intel

*As a relatively young company, E\*TRADE believes in the power of entrepreneurship. We've partnered with The Aspen Institute, through its YES Group, to accelerate the pace of change in public education by supporting, connecting, and sustaining education entrepreneurs and innovators. We are pleased to be part of an initiative that is convening entrepreneurial leaders in public education to create a common agenda for broad-based systemic change in the field. We believe a core component of that change element is financial literacy and teaching entrepreneurship to young people from all communities, including lower-income communities. We understand the time is now to teach youth the lessons of our past and prepare them for changes in our future.*

– Celie Niehaus, Senior Vice President & Chief Compliance Officer, E\*TRADE FINANCIAL

## WHAT PHILANTHROPIC LEADERS ARE SAYING...

*Entrepreneurship education inspires young people to do all the right things—understand the relevance of a good education, gain financial literacy, plan for financial independence, explore their talents, and most importantly, stay in school and develop pathways to college. All students, no matter where they are raised, deserve this chance for opportunity and growth. It has never been more important to America's economic system than it is today for young people to be fully prepared to navigate successfully the vicissitudes of the world of work.*

– Deborah D. Hoover, President, The Burton D. Morgan Foundation, Hudson, Ohio

*By any calculation, the steadily escalating impact of the dropout crisis requires immediate countermeasures and new ways of thinking about high-school education... America cannot expect to compete in the global economy when 30 to 50 percent of our students do not graduate. Increasing the high school graduation rate by just 5 percent could lead to combined savings and revenue of almost \$8 billion each year... Policymakers need to put entrepreneurship education at the forefront of their agendas.*

– Diana Davis Spencer, President, Kathryn W. Davis Foundation

*By investing in entrepreneurship education programs, funders can open an exciting world of possibilities to young people, and help them develop new confidence, skills, and ambitions along the way.*

– Stephanie Bell- Rose founding president of the Goldman Sachs Foundation

*Youth the world over are increasingly expressing their desire to learn about and engage in entrepreneurship. Opportunities to encourage children and youth to launch businesses, even while still young, are proliferating but more must be done. Young people in large numbers report that they want to play a significant role in eliminating poverty, improving their communities, and creating the future through innovation, imagination, and opportunity recognition. This is a generation that is excited about “making a job” and not just “taking a job.”*

– Carl J. Schramm, President and CEO, Ewing Marion Kauffman Foundation

*At a time when America's leadership in the global economy is being challenged by a host of nations on the rise, we must give all young people the opportunities and encouragement they need in order to unleash their full potential. Aspen Institute's Youth Entrepreneurship Strategy Group will expand entrepreneurship education to schools across the country—helping millions of students from all backgrounds to see themselves for the first time as the future business leaders and innovators our economy and society need.*

– Mario Morino, Chairman, Venture Philanthropy Partners

## **WHAT COMMUNITY LEADERS AND SOCIAL ENTREPRENEURS ARE SAYING...**

*Research indicates that greater connection with 'real world' activities and applications keeps kids engaged and in school. To the extent that we want to crack the code of the drop-out problem in the United States, entrepreneurship education is an essential part of the combination.*

– Charles Hiteshow, COO, America's Promise

*At its most basic, educating youth about entrepreneurship provides them with financial and business skills they can use in every facet of their lives. More importantly, it gives them a path to follow for turning their ideas into thriving businesses, along with the inspiration and empowerment to do so. To stimulate entrepreneurial activity and develop the business owners and civic leaders of the future, there's no better investment than education.*

– Ray Leach, CEO, JumpStart Inc.

*Too many young people just give up on their education when told, "If you don't go to college you won't amount to anything." Entrepreneurship education provides the motivation necessary for these high school and middle school students to see themselves as owners, even millionaires, and aspire to make it happen with pursuit of education. Even elementary school isn't too early to start acquiring the knowledge and experience necessary to create an entrepreneurial-based, success-driven mindset. We need to all remember, "The Entrepreneurs of tomorrow are in our schools today!"*

– Cathy Ashmore, Executive Director, Consortium for Entrepreneurship Education

*I support the work of the Youth Entrepreneurship Strategy Group to place entrepreneurship education in every school in America, because we must make education relevant to our youth. I grew up in South Central Los Angeles and Compton, California, and I have seen firsthand the almost natural entrepreneurial spirits of young people there. I was one of them, starting my first business at age 10. I am an entrepreneur today because of that early experience. I believe that our kids are dropping out of high school at record rates because they don't believe that education is relevant to their futures. How to make education relevant to their futures? Show kids how to create wealth, legally. That's financial literacy, free enterprise and capitalism, silver rights, and entrepreneurship.*

– John Hope Bryant, Founder, Chairman, Chief Executive Officer Operation HOPE, Inc.  
Vice Chairman, U.S. President's Advisory Council on Financial Literacy Washington, DC

*During 2008 we had the greatest number of inquiries concerning our Entrepreneurship programs from high school students in the U.S. than in any of the previous eight years. Young people today are starting and operating real businesses in numbers never considered possible. We must do all we can to support and encourage these Young Entrepreneurs.*

– Hank Kopcial, Executive Director, NFIB Young Entrepreneur Foundation

*Having professionals equipped with entrepreneurial abilities and the desire to be creative and innovative in the marketplace is critical for our economy to thrive. The States' Career Clusters Initiative has specifically identified the relevance of entrepreneurship in the context of the Business Management and Administration Cluster but we recognize the value of these skills across all career clusters.*

*At both the high school and post secondary levels students are enrolling in career technical education classes and seeing that these classes provide relevance and focus to their education. I am pleased that the SAY YES! campaign has identified how exposure to entrepreneurship will help students stay engaged in their educational pursuits.*

– Kimberly A. Green, Executive Director, National Association of State Directors of Career Technical Education Consortium (NASDCTEc)

***I know a secret which, if fully understood by our government, business, and community leaders, could have enormous positive implications for the future of our society.***

***Simply put, the secret is this: Children born into poverty develop special gifts that prepare them for business formation and wealth creation. They are mentally strong, resilient, and full of chutzpah. They are skeptical of hierarchies and the status quo. They are long-suffering in the face of adversity. They are comfortable with risk and uncertainty. They know how to deal with stress and conflict. These are the attitudes and abilities that make them ideally suited for breaking out of the cycle of dependency that so often comes with poverty, ideally suited for getting ahead in the marketplace.***

***In short, youth from low-income communities have “street smarts,” or what we at NFTE call “business smarts.” Precisely because of their background — that is, because of their experience surviving in a challenging world — they are able to perceive and pursue short-lived opportunities that others, more content with their lot in life, can easily miss.***

— Steve Mariotti, Founder  
The National Foundation for Teaching Entrepreneurship, Inc. (NFTE)

# YOUTH ENTREPRENEURSHIP STRATEGY GROUP

## WHO WE ARE:

The Youth Entrepreneurship Strategy Group (YES GROUP) is a collaborative initiative of the Aspen Institute in partnership with the National Foundation for Teaching Entrepreneurship (NFTE) and E\*TRADE FINANCIAL. We convene prominent leaders from the fields of education, entrepreneurship and business, public policy, the media, and philanthropy to explore the promise of, and obstacles to, implementing youth entrepreneurship education in low-income communities nationwide. Our 35 members represent thousands of teachers and hundreds of thousands of youths throughout the U.S. and abroad:

Goldman Sachs Foundation • Harvard School of Education • Consortium for Entrepreneurship Education • QuestBridge • Crenshaw High School, LA • Communities In Schools • Association for Supervision and Curriculum Development • Babson College • Miami-Dade County Public Schools • DECA Inc., • OppenheimerFunds, Inc. • KIPP: Knowledge is Power Program • Brandeis University • The Coleman Foundation • America's Promise • The Alliance for Youth • The Burton D. Morgan Foundation • W.K. Kellogg Foundation • National Human Services Assembly • JA Worldwide • National Governors Association • The National Foundation for Teaching Entrepreneurship • E\*TRADE FINANCIAL • Corporation for Enterprise Development • VSP Capital • Education Sector and Eduwonk.com • National Education Association • Kathryn W. Davis Foundation • Juma Ventures, Inc. • Philadelphia University • Miami Dade College • Alliance for Excellent Education • E-Prep • National Association for Community College Entrepreneurship

Produced from the first convening was the YES Group conference report, *Advancing Entrepreneurship Education*: [www.aspeninstitute.org/yesg](http://www.aspeninstitute.org/yesg).

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– House Education and Labor Committee Chairman George Miller

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– Michelle Araujo, President, A'La Mode Fashions.

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