VISUAL 1

# THE BENEFITS OF ENTREPRENEURSHIP

**Those who benefit from entrepreneurial activity:**

1. The entrepreneur

2. Those who purchase the entrepreneur's product

3. Those who provide resources to the entrepreneur

4. Those who are employed by the entrepreneur

5. Society as a whole

Visual 2

## From Rags to Riches

a. Born in 1918, he was an Eagle Scout at age 13. He played basketball at his Missouri high school and was quarterback of the state champion football team. He earned a degree in economics at the state public university. He opened a store in Newport, Arkansas and later opened a five and dime in Bentonville.

b. At age 6, he bought six-packs of Coca Cola for $.25 and then sold each bottle for $.05, earning a 5-cent profit on each six-pack. He bought his first stock at age 11, three shares at $38 that he later sold at $40. By age 17, he had earned $5,000 delivering newspapers. He went to college and became a stockbroker in Omaha.

c. He quit high school to work in his grandfather's lumberyard. At age 24, he started a horse-drawn carriage firm, the Flint Road Cart Company. He organized another company in 1908 which was taken by the bank in bankruptcy in 1910. Just one year later, he was able to regain his company.

d. This vegetable seller began a bank in 1904 to help fellow immigrants get their start in the U.S. When the San Francisco earthquake struck, he walked 17 miles to get to his bank. He found it relatively unharmed but with fires raging, he became so concerned, he removed the gold and money from the vault. Disguising it in orange crates, he carted the vault contents to his home. This move kept his bank in business while others had to close due to fire.

e. He grew up on a farm and left home at age 16 to become an apprentice machinist. When he returned home, he worked on steam engines and farm equipment. He began experimenting on internal combustion engines and, after two failed attempts, began a successful company in 1903.

# VISUAL 3
# SMALL BUSINESSES - BIG EMPLOYERS

- Small businesses employ just over half of U.S. workers. Of 119.9 million nonfarm private sector workers in 2006, small firms with fewer than 500 workers employed 60.2 million and large firms employed 59.7 million. Firms with fewer than 20 employees employed 21.6 million. While small firms create a majority of the net new jobs, their share of employment remains steady since some firms grow into large firms as they create new jobs. Small firms' share of part-time workers (21 percent) is similar to large firms' share (18 percent).

  Source: U.S. Dept. of Commerce, Bureau of the Census: Statistics of U.S. Businesses, Current Population Survey

- Firms with fewer than 500 employees accounted for 64 percent (or 14.5 million) of the 22.5 million net new jobs (gains minus losses) between 1993 and the third quarter of 2008. Continuing firms accounted for 68 percent of net new jobs, and the other 32 percent reflect net new jobs from firm births minus those lost in firm closures (1993 to 2007).

  Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. Note that the methodology used for the figures above counts job gains or losses in the actual class size where they occurred.

- Seven out of ten new employer firms last at least two years, and about half survive five years. More specifically, according to new Census data, 69 percent of new employer establishments born to new firms in 2000 survived at least two years, and 51 percent survived five or more years. Firms born in 1990 had very similar survival rates. With most firms starting small, 99.8 percent of the new employer establishments were started by small firms. Survival rates were similar across states and major industries.

  Source: U.S Dept. of Commerce, Bureau of the Census, Business Dynamics Statistics. Note that the figures could be skewed slightly by the rare occurrence of new firms opening multiple establishments in their first few years.