DIRECTIONS

Is entrepreneurship in America vanishing?

Business dynamism is a defining American characteristic – JMU aims to make sure it continues to flourish

A sizeable portion of this edition of *Madison* is devoted to covering efforts of entrepreneurs in the greater James Madison University community. I hope you find these activities as encouraging as I do. Such vitality and creativity represent a spirit and point of view that essentially are hopeful and optimistic — elements of the American experience that some say is in rather short supply lately.

In fact, some wonder whether entrepreneurship in America is vanishing. Could it be true?

One of the more concerning related trends is the declining rate of business startups. Over the past 30 years, business startup rates deteriorated while the rate of business closures remained largely unchanged. When the U.S. Census Bureau began tracking these events in 1977, nearly two new businesses started up for every one that closed. That gap steadily narrowed over the years, and in 2008—during the deepest trough of the Great Recession—the two trend lines crossed for the first time: more businesses closed than opened.

Described by the U.S. Census Bureau as business dynamism, the lively and continuous process of economic churn has driven the American economy since our founding. James Madison and his fellow writers of the U.S. Constitution were well aware that innovation was critical for driving business dynamism and critical to the success of the new nation. They even built protections for innovation into the Constitution itself. Article One, section 8 states:

The Congress shall have power … To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries;

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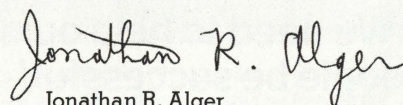
Our founders' foresight helped set the stage for American ingenuity to become arguably the most dynamic in human history. It is no happenstance that the American economy generates 22.4 percent of global GDP today, yet only 4.5 percent of humans on Earth live in America. One could say that business dynamism is a defining American characteristic. That's why its decline is of great concern, and why preserving such an important component of our national character ought to be a priority.

At Madison, however, we are not sitting still. In nearly every corner of the university we are focused on developing solutions, and some are quite promising. After all, isn't that what innovation and entrepreneurship are all about — solving problems?

In this issue of *Madison* you will see how the recently founded Madison Trust is heightening the spirit of entrepreneurship among JMU faculty researchers. You will also see how the Trow brothers — both Madison alumni — employed their passion for the outdoors to create a successful business that also benefits the natural environment. You'll meet Alpha Kiflu ('05) whose spirit of entrepreneurship and love for his Ethiopian roots inspired him to set an audacious goal to raise the standard of living in Ethiopia. And you will learn about a number of enterprising alumni who are crowdsourcing their dreams for a brighter future.

You have heard a lot from me about the university's vision to be the national model of the engaged university, engaged with the ideas and engaged with the world. A direct outcome of an exposure to the kinds of engaged learning, community engagement and civic engagement that Madison provides can, and often does, result in seeing the world as an entrepreneur sees it. Providing students with applied learning experiences within broad and diverse contexts leads to developing an open and problem-solving perspective. Such a perspective is at the heart of what drives entrepreneurs. And such a perspective is what drives our students to become citizens who lead meaningful and productive lives. Ⓜ

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