



HOUSE PASSES NATIONAL ENTREPRENEURSHIP WEEK RESOLUTION

June 7 was a “red letter day” for entrepreneurship education nationwide, and especially for members of the Consortium for Entrepreneurship Education. The United States House of Representatives passed the National



From left to right are Chantel Bartlett, NFIB; Trey Michael, President of Consortium for Entrepreneurship Education (CEE); Congressman Tom Osborne; Julie Carney, NFIB; and Horace Robertson, Secretary-Treasurer of CEE.

Entrepreneurship Week legislation, H Res. #699, after it was sent to the floor by the House Committee on Education and the Workforce.

The Resolution establishes that the House of Representatives;

1. encourages the implementation of entrepreneurship education throughout the United States;
2. supports the goals and ideals of National Entrepreneurship Week so that the people of the United States are reminded of the contributions of entrepreneurs and so that educators are encouraged to reflect on how entrepreneurship education can improve the performance of their

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VALLEY COUNTY HOME TOWN COMPETITIVENESS (HTC) SUCCESS CONTINUES



Valley County— Valley County HTC continues to make remarkable progress since becoming the HTC pilot site in 2002. Sixty-seven individuals are now members of the “Founders Club,” created in 2005 to set up an endowment for Valley County HTC. Two new businesses are moving to the Mortensen Industrial site this summer and a new convenience store and fast food franchise will open in July, employing 35 people. Eighty-seven individuals have completed the Leadership Quest program.

In April, nine 6th-grade girl scouts

completed a youth entrepreneurship program earning up to 5 badges and generating over \$400 in sales of dip, cheese spread and biscuit mixes. Recently, KHAS TV featured the Kellogg Foundation grant and Valley County HTC success. These and other successes are highlighted in the Valley County ED Quarterly newsletter and ED Case Statement available at <http://www.htcnebraska.org/ValleySuccess>.

Source: Pillars, May 2006, HomeTown Competitiveness—A Come Back/Give Back Approach to Rural Community Building, 650 J Street, Suite 305, PO Box 83107, Lincoln, NE 68501, www.htcnebraska.org.

We're on the web!

www.nde.state.ne.us/entrep/

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students; and

3. requests that the President issue a proclamation calling on the Federal Government, State and local governments, schools, nonprofit organizations, and others to observe National Entrepreneurship Week annually with special events in support of entrepreneurs and entrepreneurship education programs.



Three congressional representatives spoke to the importance of entrepreneurship, the role of entrepreneurship education, and the leadership of the Consortium for Entrepreneurship Education.

Special gratitude is owed to co-sponsors David Price (D, NC) and Tom Osborne (R, NE), as well as Danny Davis (D, IL) for their eloquent support on the House floor as well as their support for the resolution in the legislative process. Representative Tom Osborne's testimony included several important statements that helped convince his colleagues to advance the resolution for the President's signature. Excerpts from his testimony follow:

Congressman Osborne's Testimony

"This is a very important resolution because it supports the goals and ideals of National Entrepreneurship Week and encourages creation of entrepreneurship education programs in elementary and secondary schools. The future strength of our economy depends on our youth and upon developing new businesses, which essentially is what entrepreneurship is all about. From lawn mowing businesses to baby sitting, most youths have been entrepreneurs at one time or another. Unfortunately, formal entrepreneurial education is not always available to young people."

Youth entrepreneurs provide added stimulus to the local economy. Student entrepreneurial endeavors help to foster youth retention by providing youth the opportunity to contribute and invest in their home communities. As young people build and grow businesses within a community, they are more likely to stay and invest in a community's future.

Where this has been tremendously important has been in rural areas. We have all seen many small towns that continue to unravel, lose young people, lose population, and in the district that I represent we have seen this graphically. So we find that probably the best way to revitalize rural America is to provide entrepreneurial training, entrepreneurial skills, so some people can stay there and survive and young people can start a business.

There are a number of academic reasons to integrate entrepreneurship training into curriculum as well. Entrepreneurship training can be successfully integrated into traditional course work by incorporating hands-on business activities in a traditional classroom and textbook instruction. For example, writing marketing materials, business plans, can improve English skills. Sales and accounting can improve math skills. Developing manufacturing processes for products can be incorporated in a science class. True entrepreneurial education integrates hands-on business developments into the school system.

So we find that it is possible to build entrepreneurial training into the curriculum in a school. And when this happens, some really good things begin to happen.

Entrepreneurship education has a positive effect on the academic performance of students according to a study conducted by Howard Rasheed, a business professor at the University of Florida. Students with entrepreneurship training scored better in a number of academic subjects, including reading, math, social studies, and language. Also, attendance improves, dropout rates decrease, and it also helps close the achievement gap between minority students and the rest of the student body. So there is a tremendous academic contribution that entrepreneurial training provides.

I have worked throughout my time in Congress to encourage Nebraska schools to adopt entrepreneurship programs, and many have. I am pleased to have had the opportunity to be involved in numerous entrepreneurship efforts across the State of Nebraska, including NETFORCE, which is working to develop a curriculum that is sponsored through Nebraska's community college system.



H.R. 699 encourages more schools to adopt entrepreneurship programs and supports the goals of National Entrepreneurship Week. I strongly support this resolution and urge its passage."

Thank You Representative Osborne!

All Nebraskans should be proud of Congressman Osborne's unwavering and strong support for entrepreneurship and entrepreneurship education. He and his staff have worked tirelessly throughout the state and at the national level to foster a new sense of urgency and belief in the necessity of entrepreneurship education for our nation's economic vitality.

SCC INSTRUCTORS PRESENT AT GALLUP "BUILDING A STRENGTHS-BASED CAMPUS" CONFERENCE

The Gallup Organization recently offered a great opportunity for Southeast Community College (SCC) staff members to share their current and planned use of the Gallup StrengthsFinder/StrengthsQuest assessment in their entrepreneurship programs. Tim Mittan, Director of SCC's Entrepreneurship Center and Kathy Thornton, Instructor of Accounting & Entrepreneurship, presented details about how focusing on strengths will be incorporated into at least three of their six core entrepreneurship preparation courses.



Tim Mittan describes SCC's Entrepreneurship Program

The mission of the SCC program is to "discover and develop the talents of individuals in order to enhance business and community through the creation and development of academic, research, outreach and support initiatives that encourage the spirit of entrepreneurship and support entrepreneurs of all ages."

SCC's outreach includes academic courses (credit and non-credit), secondary education connections, community outreach through research tools, mentoring and advising, and business/student incubators. The credit curriculum models the Nebraska Entrepreneurship Task Force (NET-Force) recommended curriculum approved by the Chief Instructional Officers of Nebraska's six area community colleges this past Spring. Those six core courses are:

- ✦ Introduction to Entrepreneurship
- ✦ Entrepreneurial Opportunity Analysis
- ✦ Marketing for the Entrepreneur
- ✦ Entrepreneurship Legal Issues
- ✦ Entrepreneurship Taxes and Financial Topics
- ✦ Entrepreneurship Business Plan

SCC is expanding and deepening the use of the StrengthsQuest strengths assessment in its entrepreneurship program. StrengthsQuest is a program from The Gallup Organization that focuses students on strengths rather than weaknesses. The Gallup website (www.strengthsquest.com) states that "Success in education -- and in meeting any challenge life presents -- is found in working from strengths". Based on more than 2,000,000 interviews with people from virtually every profession, career, and field of achievement, they

have found that top achievers understand their talents and strengths, and build their lives upon them. StrengthsQuest leads each student to a discovery of his or her natural talents, and to unique and valuable insights about developing those talents into strengths. SCC is incorporating StrengthsQuest in the following ways:

Introduction to Entrepreneurship

In the Introduction to Entrepreneurship course, students evaluate the business skills and commitment necessary to successfully operate an entrepreneurial venture and review the challenges and rewards of entrepreneurship. This is when the Gallup StrengthsQuest is introduced.

Entrepreneurial Opportunity Analysis

In the Entrepreneurial Opportunity Analysis course, the student assesses the current economic, social, and political climate for small business. At the conclusion of the class, the student should be able to explain how demographic, technological and social changes create business opportunities. Using StrengthsQuest, students assess their business ideas based on their strengths and skills, and personal, professional, and financial goals. Students test their concept through basic market research.

Entrepreneurship Business Plan

This course focuses on students being able to assess the strengths and weaknesses of a business concept; collect, analyze and organize market research data into a marketing plan; and prepare the financial projections for their business concept. A unique and valuable new addition to this course is the preparation of a Personal Assessment Portfolio that will include development of a personal philosophy of business and entrepreneurship, a Skills and Strengths Assessment, and educational autobiography. The Skills and Strengths Assessment will be a direct link to the StrengthsQuest assessment used in the previous two courses.



Kathy Thornton focuses on how StrengthsQuest is used.

SCC's partners in entrepreneurship education include Lincoln Public School's High School Focus Program, University of Nebraska-Lincoln, University of Nebraska-Omaha, Doane College, Peru State College, Krieger Family Foundation, local businesses, and political leaders.

SMALL BUSINESS OWNERS IN TOP ECHELONS OF INCOME AND WEALTH



A study released by the Office of Advocacy, U.S. Small Business Administration, finds that households owning small businesses were more likely to be found in the top echelons of income and wealth than those that did not own a business in the 1990's. The study examines the changes in the demographic characteristics of high income and high wealth households over the 1992-2001 period.

The study finds that small business owners saw their share of aggregate household wealth decline from 42.5

percent in 1992 to 40.6 percent in 2001. Another finding was that in 2001 small business-owning households were more than twice as likely as non-business owning households (57.1 percent to 25.5 percent) to be high income, and over eight times more likely (21.2 percent to 2.5 percent) to be high wealth households.

The report, *How Did Small Business-Owning Households Fare During the Longest U.S. Economic Expansion?*, written by Dr. Charles Ou, Economist for the Office of Advocacy, and Dr. George Haynes, Professor at Montana State University is a follow-up to the study, *Wealth and Income: How Did Small Businesses Fare from 1989 to 1998?*

HOME BASED SOLE PROPRIETORS GENERATE \$102 BILLION IN ANNUAL REVENUE

America's home based sole proprietors generate \$102 billion in annual revenue, according to a study released on May 31 by the SBA's Office of Advocacy. The study compares revenues, expenses, income, and industry distribution for sole proprietors who are based in the home versus non-home based.

The study was released at the annual meeting of the American Association of Micro Businesses in Minneapolis, Minnesota. Region V Advocate Ray Marchiori presented the report. "Sole proprietorships are a vital part of our economy," Marchiori said. "Many are home based micro businesses; collectively they generate a significant amount of economic activity. For the average sole proprietor, their business provides benefits of entrepreneurship that go beyond just income and revenue."

Written by Joanne H. Pratt with funding from the Office of Advocacy, *The Impact of Location on Net Income: A Comparison of Homebased and Non-Homebased Sole Proprietors* examines federal income tax data from sole proprietorship returns for the year 2002.

The report compares home based and non-home based sole proprietorships. For example, it finds that the average home based sole proprietor earned \$22,569 in net income while its non-home based counterpart earned \$38,243. Due to lower expenses, particularly in rent and labor costs, the average home based sole proprietor

consistently gained a higher return on gross revenues at 36 percent, versus 21 percent for the non-home based.

The report also finds that the share of home based sole proprietorships was greatest in three sectors:

- administrative, support, and waste management;
- information; and
- construction.

Non-home based businesses had their largest shares in these sectors:

- accommodation and food services;
- all other services; and
- finance and insurance.

For a complete copy of the report, visit the Office of Advocacy website at www.sba.gov/advo.

Source: *The Small Business Advocate*, June 2006, Volume 25, No. 6, pages 1-2.



HELPING SMALL TOWNS SUCCEED COMES HOME



Lincoln, NE--Set your dates for October 10-12, 2006, to attend the annual program of Helping Small Towns Succeed

in a new location. The Lied Conference Center in historic Nebraska City, Nebraska will serve as the facility with excellent accommodations, meals and training amenities. The Conference Center is located in southeastern Nebraska and will provide transportation from Omaha's Eppley Airport. The Conference Center is a "green" facility that utilizes pro-environment features throughout the complex.

Now in its 14th year, Helping Small Towns Succeed offers community development professionals and practitioners the basic skills to manage the hard but rewarding work of community building. The base of rural community leaders is small but strong and growing, and the Heartland Center is recognized internationally as one of the premier trainers in the rural community development field.

This year's curriculum features:

- New information on leadership development
- Diversity as an economic development opportunity
- Appreciative Inquiry as the newest tool for community planning
- Six building blocks of community development and measurement

A special evening program will offer insight on heritage tourism, using Nebraska City as a case study. On the historic Lewis and Clark trail, Nebraska City has been very successful in this area of economic development.



The registration fee is \$750 before September 9th, 2006, after which a \$100 late registration fee applies. Scholarships are available on a limited basis.

Here is what you will learn day by day:

Day 1: Leadership Development: Features strategies for recruiting and motivating leaders.

Day 1: Clues to Community Survival: Bring citizens together to help identify community strengths and opportunities, and create strategies for long and short term aspirations and results.

Day 2: Appreciative Inquiry: This positive approach to revitalization is gaining worldwide recognition as a powerful tool for moving communities forward by examining past success.

Day 2: Diversity as an Opportunity: Rural America is becoming more diverse. Is your community tapping into the power of new people?

Day 3: Six Building Blocks of Community Development and Measurement: Conduct a community assessment utilizing six building blocks and asset mapping. Transform these into measurable outcomes.

Day 3: Building Social Capital: Unleash the power of social capital in your community.

The Heartland Center for Leadership Development is an independent, nonprofit organization developing local leadership that responds to the challenges of the future. Heartland Center activities focus on training and facilitation for community capacity building nationwide. The Center is recognized as an innovator of creative training programs focusing on capacity building and entrepreneurship as community development strategies. Programs and publications stress the critical role played by local leadership as communities and organizations work towards sustainable development. In addition to community development work throughout Nebraska, the Heartland Center's principals and associates have worked in nearly every state, including Hawaii and Alaska, and in Canada, Australia, Africa, and the Caribbean. Each year their programs reach approximately 2500 leaders from more than 300 communities.

For complete information about Helping Small Towns Succeed, visit the Heartland Center web site at www.heartlandcenter.info and click on the Annual Institutes button. You can also call the Center at 800.927.1115.



KAUFFMAN FOUNDATION STUDY SHOWS ENTREPRENEURS INCREASINGLY FOREIGN-BORN AND GETTING GRAYER

(KANSAS CITY, Mo.), May 23, 2006 - Immigrants far outpaced native-born Americans in entrepreneurial activity last year while African Americans were the only major ethnic or racial group to experience a year-to-year increase in the rate of entrepreneurship, according to a national assessment of entrepreneurial activity by the Ewing Marion Kauffman Foundation.



The rate of entrepreneurial activity for immigrants in 2005 was 0.35 percent compared to 0.28 percent for native-born Americans, according to the **Kauffman Index of Entrepreneurial Activity**. In other words, approximately 350 out of 100,000 immigrants started a business per month in 2005 compared to 280 out of 100,000 native-born Americans. These rates represent approximately 85,000 immigrants creating new businesses per month and 379,000 native-born individuals creating new businesses per month.

While annual government statistics indicate that approximately ten percent of the U.S. workforce owns a business, the Kauffman Index illustrates the number of people starting new businesses each month. With 0.29 percent of the total adult population starting new businesses per month, there was an average of approximately 464,000 people creating new businesses each month in 2005. This rate represents a slight decline from the 470,000 people creating new businesses per month in 2004.

While the overall rate of adult entrepreneurial activity declined slightly between 2004 and 2005, the rate of African Americans starting businesses grew from 0.21 percent to 0.24 percent. In other words, 40,200 African Americans started a new business per month in 2004, and 46,700 African Americans started a new business per month in 2005. African Americans were the only ethnic or racial group to experience a gain.

A quick summary of the Kauffman Index findings from 2004 to 2005 show: a decline in activity for men (0.37 percent to 0.35 percent) and Latinos (0.34 percent to 0.32 percent); entrepreneurial activity among women holding steady with no change at 0.24 percent; and the graying of entrepreneurship, as older individuals (55-64) increasingly engaged in new business start-ups at 0.34 percent.

A state-by-state breakdown of entrepreneurial activity shows Vermont, Colorado, Montana, Wyoming and Idaho as the states with the highest rates of entrepreneurial activity. Those states with the lowest rates include Delaware, West Virginia, Alabama, Kentucky and Pennsylvania. The average for the states with the highest rates of entrepreneurial activity is three times higher than the average for the five lowest states.

Regionally, higher rates of entrepreneurial activity tend to be concentrated among the Mountain and Pacific states, while lower rates are concentrated among the Middle Southern and Midwestern states.

"The United States continues to be a very entrepreneurial nation," said Carl Schramm, president and chief executive officer of the Ewing Marion Kauffman Foundation. "The large portion of entrepreneurial firms and the significant number of jobs created by smaller, newer and growing firms in America are a strong indication that the entrepreneurial sector, with its flexibility and capacity to adapt quickly, is poised to become an even more important factor in our nation's economic growth."

The Kauffman Index of Entrepreneurial Activity is the only study to measure business start-up activity for the entire U.S. adult population at the individual owner level. The data are derived from the monthly Current Population Survey (CPS), a national population survey conducted by the U.S. Bureau of the Census and the Bureau of Labor Statistics. The detailed demographic information available allows researchers to estimate rates of entrepreneurial activity by race, education, region, age, and immigrant status.

"Although research on entrepreneurship is growing rapidly, there are very few large national datasets other than the Kauffman Index of Entrepreneurial Activity that provide information on recent trends in entrepreneurial business creation," said Robert W. Fairlie, of the University of California, Santa Cruz, who developed the Kauffman Index.

Besides year-to-year changes in entrepreneurship activity, the Kauffman Index captures long-term trends. Among these findings:

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Targeted Teaching Topic



MARRYING A BRAND! WHAT IS IT? HOW DOES IT WORK?

Entrepreneurs and companies both large and small expend enormous energy and resources to attract customers. From the moment a business “opens its doors” customers form relationships with it; some will be positive, some will be negative, and some will become so strong they literally become like a marriage.

Does marriage sound like too strong a descriptor? Not according to author, William J. McEwen, based on groundbreaking research conducted by the Gallup Organization and documented in the fascinating book, *Married to the Brand—Why Consumers Bond with Some Brands for Life* © Gallup Press 2005.

Gallup has listened closely to customers talk about brands for over fifty years. Their research is shared in *Married to the Brand*, and entrepreneurs who delve into the book can learn some lessons that could help them build good customer relationships—the brand marriages that the author talks about.

Some of the conclusions in the book may seem like common sense, but converting common sense into actual practice is easier said than done. An entrepreneur may be so overwhelmed by the multitude of tasks of operating a new venture that the core need to build strong customer ties may be overlooked. To overlook creating strong, long-term relationships is costly though. Loyal customers bring more customers. Dissatisfied customers not only don't return, they **talk** about their negative experiences, and the ripple effect can mean increased costs to bring in new customers...customers who may have the same negative experience and the ultimate result is the end of the entrepreneur's business.

It's impossible to capture the many insights found in *Married to the Brand*, but here are some important concepts to keep in mind:

- Brand marriages, in which customers are passionate about a brand, aren't created overnight or by dumping huge money into advertising.
- There's a significant difference between a customer and an *engaged* customer. Building customer engagement is far better than just gaining customers.
- Creating brand marriages means creating an emotional connection with the customer
- The total brand experience, not just the pricing, or advertising, or packaging, or location (you know, the 4 Ps of Marketing) is what counts.
- **Performance** over a period of time creates loyal customers. Non-performance will end up in brand “divorce.”
- Emotions aren't “fluff.” They are, as the author states, “powerful and profitable.” “Whether a company is marketing hamburgers or microprocessors, there's a demonstrable financial return that results from emotionally engaging customers.” according to author William J. McEwen.

The bottom line is that efficient and *effective* marketing is far more than creating brand awareness. It's about creating brand marriages with the customer that are passionate, long-lasting, and win-win for both the company and the customer. Do you detect why the author and the Gallup Organization calls this type of customer relationship a marriage? It's all about getting past the first blush of learning about a brand or company and really gaining an appreciation for what they offer.

Source: *Married to the Brand* by William J. McEwen, Gallup Press, ©2005, <http://www.galluppress.com>.

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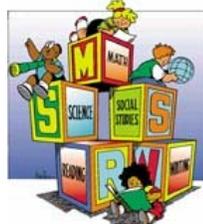
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- Over the last decade, the average rate of entrepreneurial activity was 0.29 percent, which is the same as the 2005 rate or 290 for every 100,000 individuals. On average, there were 437,000 people creating new businesses each month over the ten-year period. Entrepreneurial activity appears to be higher in the past few years than in the late 1990s during the height of the Internet boom.
- From 1996 to 2005, the average rate of entrepreneurial activity for men was 0.36 percent. In contrast the rate for women was 0.24 percent. The rate of entrepreneurial activity for men increased to a high of 0.40 percent in 2003, but has declined each year since then. Rates of entrepreneurial activity for women have generally remained the same over the past several years.

Over the past decade, rates of entrepreneurial activity were highest for Latinos at 0.32 percent. The Latino rate of entrepreneurial activity decreased from 0.34 in 2004 to 0.32 in 2005, continuing a downward trend that started in 2003 when the rate was 0.40 percent.

Unlike other studies that capture young businesses that are more than a year old, the Kauffman Index of Entrepreneurial Activity captures all adults 20-64 who initially start a business, including those who own incorporated or unincorporated businesses and those who are employers and non-employers. The Kauffman Index of Entrepreneurial Activity, which is defined as the percent of the adult U.S. population of non-business owners who start a business as their main job each month, is conducted annually.

The Ewing Marion Kauffman Foundation of Kansas City is a private, nonpartisan foundation that works with partners to advance entrepreneurship in America and improve the education of children and youth. The Kauffman Foundation was established in the mid-1960s by the late entrepreneur and philanthropist Ewing Marion Kauffman. Information about the Kauffman Foundation is available at www.kauffman.org. © 2006 Ewing Marion Kauffman Foundation. All rights reserved. (816) 932-1000, 4801 Rockhill Road, Kansas City, MO 64110



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