Entrepreneurship education has been of national concern for many years. In the early 1970s, the major thrust of Federal leadership was directed toward the expansion of minority businesses. Following a Presidential Executive Order, a cabinet-level Interagency Council for Minority Business Enterprise was established by the Secretary of Commerce in 1971. The issue then, as it is today, was to address the dramatic lag in minority participation in American business ownership. Recognizing that education and training were at the heart of the problem, the Council requested the then-Department of Health, Education and Welfare to establish a task force on education and training for minority business enterprise. That task force, which held hearings and conducted in-depth studies, concluded that the high failure rate of minority-owned businesses and the critical element in business survival and growth were related to management capabilities. From this task force came many instructional materials for entrepreneurship education, including those developed by the National Center for Vocational Education, that are in wide use today. The present Administration is committed to the further development of minority-owned businesses, with a goal of the formation of at least 60,000 new minority businesses and the expansion of a similar number over the next 10 years. The Department of Education is committed to providing leadership in the field of entrepreneurship education. Plans call for finding a way to document achievement, developing a resource guide, enhancing communications, and upgrading teacher education for entrepreneurship. (KC)
CRITICAL ISSUES SURROUNDING ENTREPRENEURSHIP EDUCATION --
PRESENT, PAST, FUTURE -- A FEDERAL PERSPECTIVE

PRESENTED TO THE
NATIONAL ENTREPRENEURSHIP FORUM
NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION

ROBERT M. WORTHINGTON, Ph.D.
ASSISTANT SECRETARY FOR
VOCATIONAL AND ADULT EDUCATION
U.S. DEPARTMENT OF EDUCATION

SEPTEMBER 5, 1984
CRITICAL ISSUES SURROUNDING ENTREPRENEURSHIP EDUCATION -- PRESENT, PAST, FUTURE -- A FEDERAL PERSPECTIVE

I WELCOME THIS OPPORTUNITY TO MEET WITH SUCH A DISTINGUISHED GROUP OF INDIVIDUALS CONCERNED WITH ENTREPRENEURSHIP EDUCATION. I KNOW OF NO OTHER EDUCATIONAL ENTERPRISE WHERE SO MANY DIVERSE ORGANIZATIONS, GOVERNMENT AGENCIES, AND EDUCATIONAL INSTITUTIONS HAVE INDIVIDUALLY AND COLLECTIVELY DIRECTED THEIR ENERGIES TO A SINGLE EFFORT. LEADERSHIP FOR ENTREPRENEURSHIP EDUCATION IS COMING FROM MANY QUARTERS, EACH BUILDING UPON THE WORK THAT HAS GONE BEFORE; EACH CONTRIBUTING NEW KNOWLEDGE AND BRINGING SERVICES TO PEOPLE.

ENTREPRENEURSHIP EDUCATION IS A UNIQUE EDUCATIONAL Endeavor. IT CAN BE APPROACHED DIRECTLY BY MEANS OF SEPARATE PROGRAMS AND CLASSES; IT CAN BE APPROACHED AS AN INTEGRAL PART OF EXISTING VOCATIONAL AND ACADEMIC INSTRUCTIONAL PROGRAMS. THE CONCEPT OF INFUSING ENTREPRENEURSHIP THROUGHOUT OUR EDUCATIONAL SYSTEM MAY WELL BECOME A GUIDING THEME IN EDUCATION, ESPECIALLY IN VIEW OF THE APPROACHING ENTREPRENEURIAL SOCIETY ENVISIONED BY SUCH FUTURISTS AS JOHN NAISBITT. ENTREPRENEURSHIP EDUCATION DOES AS MUCH IN TEACHING PEOPLE, PARTICULARLY OUR YOUNG PEOPLE, ABOUT OUR ECONOMIC SYSTEM, THE WORK ETHIC, INDIVIDUAL OPPORTUNITY, AS IT DOES IN TEACHING THOSE COMPETENCIES NEEDED TO UNDERTAKE A BUSINESS VENTURE.
WE FIND IT VERY EXCITING TO KNOW THAT NATIONAL CONCERNS, ISSUES AND GOALS ARE BEING ADDRESSED BY SO MANY DEDICATED PROFESSIONALS. WE RESPECT YOUR EXPERTISE AND COMMEND YOU FOR THE SPECIAL SERVICE YOU PROVIDE. I WOULD IMAGINE THAT MANY OF YOU HAVE COME TO THIS FORUM TO SATISFY YOUR NETWORKING NEEDS. AND I COMMEND YOU FOR THAT TOO, BECAUSE WE ARE NOW AT A STAGE OF DEVELOPMENT WHERE WE NEED TO SHARE INFORMATION, TO SUPPORT ONE ANOTHER, AND TO FIND PRACTICAL WAYS TO INFORM THE PUBLIC WE SERVE ABOUT OUR COLLECTIVE RESOURCES AND TALENTS. I AM GRATEFUL TO BOB TAYLOR AND HIS STAFF HERE AT THE CENTER FOR PROVIDING THIS OPPORTUNITY FOR ALL OF US TO MEET TOGETHER.

One of my first actions when I became Assistant Secretary in 1981, was to establish an internal Task Force on Entrepreneurship Education. This action reflected my overall priority to promote entrepreneurship education. Nearly four years have gone by and I am pleased with what has been accomplished: we have served as an advocate and a catalyst for entrepreneurship education; we have coordinated efforts with other government agencies; we have initiated a range of specific departmental actions and national projects; we have looked to the future by anticipating needs and assessing the place of entrepreneurship education in our educational system.
But the national interest in entrepreneurship education began well before 1981. In the early 70's the major thrust of federal leadership was directed toward the expansion of minority businesses.

Pursuant to a Presidential Executive Order, a Cabinet level Interagency Council for Minority Business Enterprise was established by the Secretary of Commerce in 1971. The issue then, as it is today, was to address the dramatic lag in minority participation in American business ownership. It was obvious that long standing inequities had restricted the entry of minorities into the mainstream of the nation's free enterprise system. Recognizing that education and training were at the heart of the problem, the Council requested the then Department of Health, Education and Welfare to establish a Task Force on Education and Training for Minority Business Enterprise. At that time, in 1972, I was serving as the Associate Commissioner of Adult, Vocational and Technical Education in the United States Office of Education (U.S.O.E.) and I was appointed by Health, Education and Welfare Secretary Elliott Richardson to head the Task Force.
That Task Force, composed of 73 members representing federal and non-federal interests, the private sector, and majority and minority populations, functioned for 18 months. Its purpose was to shape a national education and training policy and program for providing business management skills to existing and potential minority entrepreneurs, as well as to mold a system for introducing minority youth to the potentials of business ownership as a career.

The Task Force tapped the resources of its membership and held public hearings across the nation. It examined existing education programs and sought the advice of government officials, educators, bankers, ethnic groups, community leaders, and minority entrepreneurs. The conclusions and recommendations reached, which were published in a report in 1974, are worthy of our attention and study. While much progress has been made, the issues raised then are equally as pertinent today.

The Task Force concluded that the high failure rate of minority owned businesses and the critical element in business survival and growth were related to management capabilities.
One successful entrepreneur that I read about recently said "the four crucial elements of success in business are management, management, management, and a superior product". The development of management talent is one major contribution we as educators can make. And as the Task Force said, the education and training programs we deliver must become an integral part of the national strategy to expand minority business ownership.

The final finding of the Task Force speaks to an issue which a decade later is still a matter of concern to all of us: that entrepreneurship as a career opportunity for minority youth is given inadequate attention within the total educational system.

While the Task Force report directed its attention to the needs of minority populations, its recommendations have served to advance the cause of entrepreneurship education and small business during the past decade, and certainly have given impetus to specific undertakings during the intervening years.
Some of the recommendations made in 1974 included:

1. Establishing clear direction at the national level;
2. Coordinating resources at the state and local levels;
3. Establishing a delivery system at the local level;
4. Improving curricula and teaching resources;
5. Supporting formal education for business ownership;
6. Developing pilot career awareness programs for future entrepreneurs;
7. Establishing work experience programs for potential entrepreneurs and;
8. Recognizing cultural, social, and economic variables among target groups.

During the past ten years the United States Department of Education has maintained a consistent and aggressive pattern of materials development. One of the first projects funded by U.S. O.E. following the report of the Task Force, was a project called Small Business Ownership for Grades 7-9. Developed by the National Business Education Association, the project addressed the awareness needs of youth, especially minorities, in terms of potential business ownership.
Other Departmental contracts provided materials appropriate for use at secondary, postsecondary, and adult levels. The adult materials were designed for use with active business owners. This management training program was developed by the University of Minnesota, building on the approach that was used in Minnesota's agriculture program. These materials, updated and modified to fit local needs, are in wide use today. For example, the Ohio business and marketing education service has adapted these materials for its Small Business Management Program, now offered in 30 school districts.¹

In addition, the Department awarded a number of grants to the states to conduct various projects in response to the priority placed on entrepreneurship. Those initial efforts caused many states to bring entrepreneurship education into the mainstream of vocational education. It was through this grant program that some of our most visible materials and programs were initiated—particularly, the PACE materials (Program for Acquiring Competence in Entrepreneurship), updated and distributed by the National Center for Research in Vocational Education— and the Educational Assistance Program for Entrepreneurs offered by Oklahoma State University through its Center for Apparel Marketing and Merchandising.

¹Other States: Minnesota, 23; Oregon, 15; North Dakota, 7; Washington, 4; Iowa, 3; Wyoming, 2; Colorado, 1; South Dakota, 1.
I offer these examples simply to indicate that the promotion of entrepreneurship education in the 70s could not have gone forward without support for needed curriculum materials. Today, that void is no longer an issue. The issue today centers on making choices from the abundance of materials available.

I would be remiss if I did not mention our most recent major curriculum project in this area, which was conducted by American Institutes for Research. This project reflects the growing acceptance of the concept that preparation for employment, as the purpose of vocational education, includes "self-employment." This curriculum package includes a core module designed for use in all secondary vocational instructional programs and 35 business-specific modules that introduce students to the career option of owning a small business related to the skills developed in the various vocational instructional programs.
THE PRESENT ADMINISTRATION IS COMMITTED TO THE GOAL OF GREATER OPPORTUNITY FOR ECONOMIC PROGRESS, AND INDEPENDENCE FOR ALL AMERICANS. IN HIS DECEMBER 17, 1982 STATEMENT ON MINORITY BUSINESS, PRESIDENT REAGAN OUTLINED A PROGRAM FOR THE FURTHER DEVELOPMENT OF MINORITY-OWNED BUSINESSES. THE CENTERPIECE OF THIS EFFORT IS THE FORMATION OF AT LEAST 60,000 NEW MINORITY BUSINESSES AND THE EXPANSION OF A SIMILAR NUMBER OVER THE NEXT 10 YEARS.

IT WAS IN THIS STATEMENT THAT THE PRESIDENT ANNOUNCED HIS PLANS TO DESIGNATE THE FIRST FULL WEEK IN OCTOBER AS MINORITY ENTERPRISE DEVELOPMENT WEEK. MED WEEK WAS CELEBRATED FOR THE FIRST TIME LAST OCTOBER (1983). WE IN THE DEPARTMENT OF EDUCATION CHOSE THIS TIME FOR SECRETARY BELL TO ANNOUNCE THE DEPARTMENT'S POLICY STATEMENT ON ENTREPRENEURSHIP EDUCATION WHICH HE AND I SIGNED ON SEPTEMBER 29, 1983. MED WEEK PROGRAM INCLUDED PRESENTATIONS BY MEMBERS OF OUR VOCATIONAL STUDENT ORGANIZATIONS, WHO TALKED ABOUT HOW VOCATIONAL EDUCATION IS BRINGING THE ENTREPRENEURIAL EXPERIENCE TO OUR YOUNG PEOPLE. THE VOCATIONAL STUDENT ORGANIZATIONS PROVIDE A CONSISTENT AND POSITIVE APPROACH TOWARD ORIENTING YOUNG PEOPLE TO THE WORLD OF PRIVATE ENTERPRISE AND OWNERSHIP. I SHOULD LIKE TO TAKE THIS OPPORTUNITY TO RECOGNIZE AND COMMEND THOSE ORGANIZATIONS FOR THE ENORMOUS CONTRIBUTION THEY ARE MAKING TO ENTREPRENEURSHIP EDUCATION.
In 1983, the Secretary of Commerce designated five interagency working groups to provide support to the Cabinet Council on Commerce and Trade on minority business issues. One of these is the Management Development and Technical Assistance Committee which I chair. The committee has representatives from a number of departments and agencies. Our function is to provide federal leadership for management development programs that address the need for new and expanded minority firms. While the emphasis is on minority business development, in the process we are supporting the growth of all small businesses.

We in the Department view current issues in the context of the commitments we have made in our policy statement on entrepreneurship education. For example, the policy statement commits my office to cooperate with national associations and federal agencies concerned with small business and to promote and implement entrepreneurship education in the states. We responded to this commitment by collaborating with the Minority Business Development Agency in the funding of "A Project to Promote Economic Development Through Entrepreneurship Education and Training".
UNDER CONTRACT WITH THE OKLAHOMA STATE UNIVERSITY, ONE MAJOR PRODUCT OF THIS PROJECT WILL BE A RESOURCE GUIDE FOR DEVELOPING TRAINING PROGRAMS FOR USE BY VOCATIONAL EDUCATORS AND MINORITY BUSINESS DEVELOPMENT CENTER SERVICE PROVIDERS.

COMMUNICATION IS ALWAYS AN ISSUE. THE POLICY STATEMENT ADDRESSES THIS CONCERN BY HIGHLIGHTING THE NEED FOR A COMMUNICATIONS NETWORK. WE FELT THAT ONE SOLUTION WOULD BE TO REPLICATE THE TASK FORCE CONCEPT AT THE STATE LEVEL. WE ARE ENCOURAGING THIS DEVELOPMENT THROUGH A PROJECT BEING CARRIED OUT BY THE OHIO STATE UNIVERSITY UNDER ITS NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION CONTRACT. THE GOAL OF THIS PROJECT IS TO PROVIDE LEADERSHIP IN THE FORMATION OF STATE TASK FORCES ON ENTREPRENEURSHIP EDUCATION IN TEN STATES. THE IMPACT THAT THESE TASK FORCES NOW IN OPERATION HAVE HAD ON STATE INITIATIVES IS MOST ENCOURAGING.

ONE OF OUR CHALLENGES WILL COME IN RESPONDING TO THE POLICY'S COMMITMENT TO DOCUMENT ACHIEVEMENTS. WE NEED TO WORK ON THAT ISSUE. WE NEED TO FIND A WAY TO MEASURE OUR EFFECTIVENESS. WHILE WE HAVE INCLUDED ENTREPRENEURSHIP IN THE CLASSIFICATION OF INSTRUCTIONAL PROGRAMS (CIP), WE HAVE YET TO RESOLVE ITS USE AS A CATEGORY IN OUR VOCATIONAL EDUCATION DATA SYSTEM. FURTHER, WE HAVE NO PRACTICAL MEANS TO DETERMINE THE SCOPE OF OUR SUCCESS.
Under contract with the Oklahoma State University, one major product of this project will be a resource guide for developing training programs for use by vocational educators and minority business development center service providers.

Communication is always an issue. The policy statement addresses this concern by highlighting the need for a communications network. We feel that one solution would be to replicate the task force concept at the state level. We are encouraging this development through a project being carried out by the Ohio State University under its National Center for Research in Vocational Education contract. The goal of this project is to provide leadership in the formation of state task forces on entrepreneurship education in ten states. The impact that these task forces now in operation have had on state initiatives is most encouraging.

One of our challenges will come in responding to the policy's commitment to document achievements. We need to work on that issue. We need to find a way to measure our effectiveness. While we have included entrepreneurship in the Classification of Instructional Programs (CIP), we have yet to resolve its use as a category in our vocational education data system. Further, we have no practical means to determine the scope of our success.
Undoubtedly, we will need research to determine how many businesses have been saved from failure as a result of instruction and technical assistance. Certainly, we will have to find a way to determine what impact the educational community has had on the annual formation of the 60,000 minority firms mandated by the President.

Another challenge for the future is an adequate teacher education program. If entrepreneurship is to permeate all of education, this suggests that all teacher training efforts should include preparation in the concepts and practices of entrepreneurship. This includes the preparation of guidance counselors. Further, our own vocational teacher preparation programs must provide substantive training in this area. We have some notable examples of inservice training such as the SBA-Marketing Distributive Education Joint Training Program in North Dakota, designed to prepare local teachers to be SBA counselors, but we need to do more. As our policy statement suggests, entrepreneurship education will address the needs of "those whose work is or will be associated with the small business sector." The agenda for our teacher education institutions must address the critical need for informed and competent teachers.
Entrepreneurship education is evolving. As we advance our knowledge, we find ourselves broadening our perception of entrepreneurship; its definition, its role in education, and its impact on society. Our focus has been and will continue to be on small business formation, but we see entrepreneurship providing a new direction in the lives of all Americans. Entrepreneurship in the words of Al Shapero, is "taking control over one's life". It is as much an attitude as it is a practice.

Let me close by saying that we in the Department of Education will continue to press for the expansion of entrepreneurship education, and to further this goal we have organized this year, a Departmentwide Task Force on Entrepreneurship Education. By this action, we have come full circle in involvement at the federal level, while continuing our initiatives in the Office of Vocational and Adult Education. We hope that our actions and expressions of concern and assistance will contribute to your respective agendas in advancing entrepreneurship education in this Nation.