



THE STATE OF ENTREPRENEURSHIP IN THE U.S.

2020 STUDY
EXECUTIVE SUMMARY

SECOND
MUSE

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While our findings are certainly discouraging in many regards for entrepreneurs, there is an inclusive path forward that is less dependent on the billion dollar booms and busts of Silicon Valley and more reliant on the thousands of main street business leaders that this research demonstrates are highly invested in their local communities.

- Todd Khozein, SecondMuse Co-CEO

2020 SECONDMUSE STATE OF ENTREPRENEURSHIP IN THE U.S. STUDY

The 2020 SecondMuse/Ipsos State of Entrepreneurship in the United States study reveals that small business owners and innovators believe the country's economic system is unfair. The inaugural study explored qualitative and quantitative research of more than 200 U.S. entrepreneurs and was conducted over the past two months amid the global pandemic and national movement for racial justice. It finds that, despite a strong desire for racial equity and a level playing field, respondents overwhelmingly believe the U.S. economic system favors entrepreneurs from certain geographies and backgrounds at the expense of broad swaths of Americans.

Entrepreneurs, even those who are being advantaged, are calling on government officials, local leaders and funders to reorient their support for entrepreneurs and to support resources and regulations that will ensure their local economies and communities thrive.



KEY INSIGHT 1

LITTLE TRUST IN THE U.S. ECONOMIC SYSTEM

The United States has long been known as a place of innovation, where entrepreneurs are free to experiment and drive their visions to fruition. The ongoing global reckoning around racial justice and inclusion has poked holes in this reputation and exposed glaring disparities between the opportunities afforded to individuals in the United States. Despite burgeoning efforts to address the disadvantages historically marginalized groups continue to face, just 17% of surveyed respondents describe the current economic system as “inclusive.” More than a quarter describe it as “racist” and nearly a third see it as “corrupt.” The overwhelming majority, 72%, believe the U.S. economic system creates an uneven playing field.

17% of study respondents describe the current economic system as **“inclusive.”**

72% believe the U.S. economic system creates an **uneven playing field**

More than **a quarter** describe the economic system as **“racist”**


Nearly **a third** see it as **“corrupt.”**



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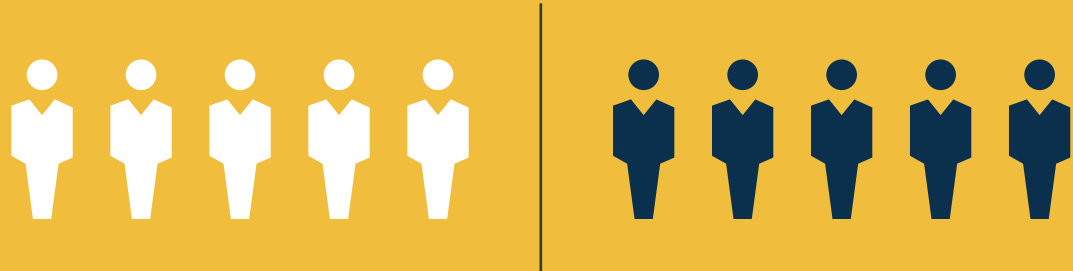
The number one thing that concerns me about our economy is economic participation. I would love to see a **more evenly distributed society.**

MARLA BLOW

*Senior Vice President, Social Impact, North America, MasterCard
Former Founder and CEO of FS Card Inc.*



More than half of surveyed entrepreneurs believe that women, African Americans and Hispanics face **barriers to entrepreneurship.**



KEY INSIGHT 2

BARRIERS TO ENTREPRENEURSHIP

Background and geography

Restoring trust in the economic system is crucial for American innovation. Research results point to areas where mistrust is most pronounced and where work to restore it can begin. More than half of surveyed entrepreneurs believe that women and BIPOC face barriers to entrepreneurship. An even greater percentage of respondents, meanwhile, believe it is more difficult for immigrants, the less wealthy, less educated and those who live in certain geographic regions to become an entrepreneur.

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The challenge we see is the resources that support entrepreneurs, whether capital, public policy or investment in infrastructure, is **inconsistent in who it is available to.**

BILL TAFT

Senior Vice President of Economic Development, LISC



KEY INSIGHT 3

COVID-19 CRISIS

An opportunity to create a more inclusive system

Despite their grim assessment of the current system, nearly 7 out of 10 respondents see the COVID-19 crisis as an opportunity to reform the economy. What they want is clear: Nearly 60% named “racial equality” as their top concern and nearly 70% agree that more should be done to make the economy more inclusive.

When we asked respondents if they supported an “economy of the future” that focuses on building economic resilience through inclusivity and engagement with local communities, more than 8 out of 10 said they agreed.

60% named “**racial equality**” as their top concern

70% agree that more should be done to **make the economy more inclusive**



Nearly 7 out of 10 respondents see the COVID-19 crisis as an **opportunity to rethink the economy.**



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I believe those in a position to become support systems for homegrown entrepreneurs need to realize that the efforts and ingenuity we need to embrace are **right here in our own communities**, not an imaginary unicorn entrepreneur from a far off land.

SARAH OWEN

President and CEO, Southwest Florida Community Foundation



89%

believe local, community-level coordination is essential to entrepreneurial success



KEY INSIGHT 4

A CALL FOR SUPPORT AT THE LOCAL LEVEL

The study also provides guidance on where the work to build a more inclusive system can begin. A staggering 89% believe local, community-level coordination is essential to entrepreneurial success, yet nearly half of surveyed entrepreneurs believe it is currently hard to secure local resources for their business. Above all, they expressed needs for capital/cash flow, followed by education and policy/government measures.

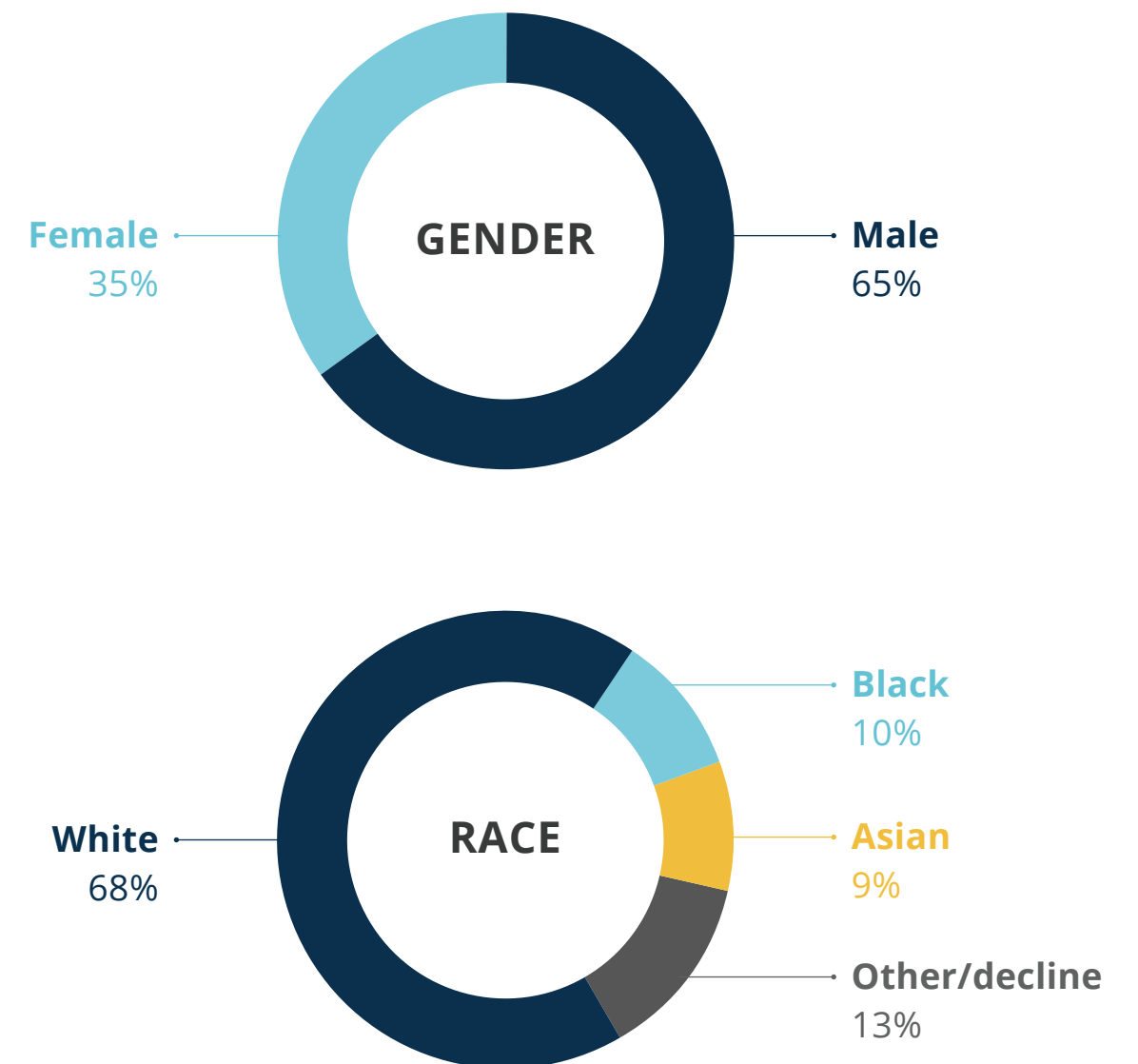
This suggests that leaders, officials and funders operating at the community level are in a prime position to support entrepreneurs, particularly those from historically underserved communities, and restore faith in the U.S. economy.



SecondMuse is an impact and innovation company that builds resilient economies by supporting entrepreneurs and the ecosystems around them.

They do this by designing, developing, and implementing a mix of innovation programming and investing capital. From Singapore to San Francisco, SecondMuse programs define inspiring visions, build lasting businesses, and unite people across the globe. Over the last decade, they've designed and implemented programs on 7 continents with 600+ organizations such as NASA, The World Bank, and Nike.

STUDY RESPONDENTS DEMOGRAPHICS





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