EVOLUTION OF U.S. ECONOMY

**AGRARIAN ECONOMY**
- Lots of Land
- Lots of People
- Lots of Animals
- Labor Intensive

**MANUFACTURING ECONOMY**
- Means of Production
- Lots of People
- Labor Intensive

**INNOVATION ECONOMY**
- Knowledge-based
- Tech-driven
- Globally Competitive
- Creativity
- Entrepreneurship
- Drives Economic Impact, Wealth

INCLUSIVE ECONOMIC PROSPERITY
COUNCIL on FOUNDATIONS
EVOLUTION OF U.S. ECONOMY

19th
AGRARIAN ECONOMY
- Lots of Land
- Lots of People
- Lots of Animals
- Labor Intensive

20th
MANUFACTURING ECONOMY
- Means of Production
- Lots of People
- Labor Intensive

21st
INNOVATION ECONOMY
- Knowledge-based
- Tech-driven
- Globally Competitive
- Creativity
- Entrepreneurship
- Drives Economic Impact, Wealth

SEGREGATION or DISRUPTION?
100 years later, the Negro still is not free.

100 years later, the Negro lives on a lonely island of poverty in the midst of a vast ocean of material prosperity.

“We are through with segregation, henceforth and forevermore!”

“I Have a Dream” | Dr. Martin Luther King, Jr.
Aug. 23, 1963
1968
Detroit – Cobo Hall

“Segregation today, segregation tomorrow, segregation forever!”
Advanced manufacturing is still important in the Innovation Economy. But today, it isn’t capable of the kind of broad-based low-skilled employment of manual labor that it was in the 20th century.
BASIC BUILDING BLOCKS OF THE INNOVATION ECONOMY

3 PIPELINES OF PRODUCTIVITY

WORKFORCE
- White Collar
- Blue Collar

ENTREPRENEURSHIP
- Business Ownership
- Job Creation
- Wealth-building

STEAM EDUCATION
- Science, Technology, Engineering, Arts and Math
- Agriculture
- Architecture
- Application

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START HERE
6 ECONOMIC TRENDS

In a 2016 hearing, the US Senate Committee on Small Business and Entrepreneurship was informed of SIX DISTURBING TRENDS:

• The rate at which the U.S. economy generates new firms is in long-term decline;
• New business formation suffered an unprecedented collapse following the Great Recession – particularly within under-connected metro neighborhoods and micropolitan communities;
• The geography of startup activity has become highly concentrated;
• The economy is increasingly dominated by older incumbent firms;
• Rates of entrepreneurship are declining with each generation; and
• High potential startups are less likely than ever to succeed.

For whom is the economy working?

Business closings hold steady while business startups decline

Business startups have been declining steadily in the U.S. over the past 30 years. But the startup rate crossed a critical threshold in 2008, when the birth rate of new businesses dropped below the death rate for the first time since these metrics were first recorded.

Source: U.S. Census Bureau, Business Dynamics Statistics

GALLUP

INEQUALITY ECONOMIC PROSPERITY

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Most of America's Businesses Run by White Men

New government data show business owners are still a fairly homogeneous group.

By Andrew Soergel, Economy Reporter  |  Sept. 1, 2016, at 12:12 p.m.

The majority of U.S. businesses are small, relatively new and owned by white Americans, according to new data published Thursday by the Census Bureau.

The bureau estimates there were 5.4 million companies and businesses with paid employees at the end of 2014. About 9 percent of these outfits had been started within the previous two years, and nearly 53 percent had been started within the last 10. Surprisingly, the bureau estimates that only 3.1 percent of U.S. businesses in operation in 2014 had been around for at least 16 years.

But the survey, put out in conjunction with the Ewing Marion Kauffman Foundation and the Minority Business Development Agency, painted an ownership picture that is still skewed largely to white males. Only 17.5 percent of businesses in operation in 2014 were minority owned, even though the bureau estimates that African-Americans, Latinos, Asians and other ethnicities account for more than 38 percent of the country's overall population.
Q: How will America sustain her global competitiveness with so much of her population producing so little?

And how do we intentionally build equitable environments that lead to inclusive prosperity outcomes?
KEYS TO COMPETITIVENESS

- Research
- Measures
- Indices
- Education / Exposure
- Immersion / Training
- Networking / Leadership
- Productivity Pipelines
- Convening / Collaboration
- Best Practices
- Community Partnerships

INSTITUTE FOR STRATEGY & COMPETITIVENESS

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HARVARD BUSINESS SCHOOL

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BREAKING DOWN WALLS OF ISOLATION AND INSULATION

**COMMUNITIES OF INFLUENCE**

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**DEVELOPMENT**

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A NOTE ABOUT PROGRAMS
Programs are not effective as islands. They are effective as components of an overall strategy within a plan designed to move measurable needles of economic impact that show progress toward reaching a clear visionary outcome.
STEEM EDUCATION
WORKFORCE PIPELINES
ENTREPRENEURSHIP PIPELINES
SUSTAINING & GROWING BUSINESSES

"FAST TALK FAST LISTEN"

8 mins ea