



# Small Business and Entrepreneurship during an Economic Recovery

November 9-10, 2011  
Board of Governors of the Federal Reserve System  
Dining Rooms D, E, and F (Terrace Level)  
Washington, D.C.

## AGENDA

WEDNESDAY, NOVEMBER 9, 2011

**8:30 a.m. Registration and continental breakfast**

**9:30 Welcome and opening remarks**

*Ben S. Bernanke*, Chairman, Board of Governors of the Federal Reserve System

Introduction by *Sandra Braunstein*, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System

**10:00 The Role of Small Business and Entrepreneurship in Job Creation**

Current economic conditions have the potential to alter what we think we know about small businesses' role in the economy and job creation. Authors have been asked to consider the following questions: How does the recent recession differ from previous ones in terms of jobs and small business creation/destruction? What types of businesses are the most important sources of jobs? Whom do they hire? What is the role of self-employment in the labor market? How do small businesses support the general economy as well as local community development?

Moderator: *Robin Prager*, Deputy Associate Director, Division of Research and Statistics, Board of Governors of the Federal Reserve System

**The Declining Average Size of Establishments: Evidence and Explanations**

Presenting Author: *Eleanor J. Choi*, Research Economist, U.S. Bureau of Labor Statistics (Coauthor: *James R. Spletzer*, Senior Research Economist, U.S. Bureau of Labor Statistics)

**The Small Business Sector in Recent Recoveries**

Presenting Author: *William Dunkelberg*, Professor of Economics, Temple University (Coauthor: *Michael J. Chow*, Senior Data Analyst, National Federation of Independent Business Research Foundation)

Discussant: *John Haltiwanger*, Professor of Economics, University of Maryland—College Park

**11:15 Break**

**11:30 The Landscape for Small Businesses and Entrepreneurs**

This panel lays the foundation for the more in-depth discussions of subsequent sessions by featuring information from some of the intelligence-gathering efforts of staff across the Federal Reserve System and the Ewing Marion Kauffman Foundation about the current environment in which small businesses are operating.

Moderator: *Karen Leone de Nie*, Community and Economic Development Research Director, Federal Reserve Bank of Atlanta

Panelists: *Claire Kramer*, Regional and Community Outreach Director, Federal Reserve Bank of New York

*Alicia Robb*, Senior Research Fellow, Ewing Marion Kauffman Foundation

*John Robertson*, Vice President and Senior Economist, Federal Reserve Bank of Atlanta

*Maude Toussaint-Comeau*, Senior Business Economist, Federal Reserve Bank of Chicago

**12:45 p.m. Luncheon and keynote address**

*Carl J. Schramm*, President and CEO, Ewing Marion Kauffman Foundation

Introduction by *Robert Strom*, Research Director, Ewing Marion Kauffman Foundation

**2:00 Break**

**2:15 The Importance of a Robust Entrepreneurial Ecosystem**

A combination of policies, programs, services, and networks is vital to encourage and support entrepreneurship both nationally and at the local level. These authors provide a critical assessment of strategies to create a healthy and productive entrepreneurial ecosystem for all. What has proven most effective and why? Who are the key players and what are the important components for an entrepreneurial ecosystem strategy?

Moderator: *Ana Patricia Muñoz*, Policy Analyst, Federal Reserve Bank of Boston

**Local Roles in Cultivating a Small Business and Entrepreneurial Culture**

Presenting Author: *Christiana McFarland*, Program Director, Finance and Economic Development, National League of Cities (Coauthor: *Katie Seeger McConnell*, Senior Program Associate, Finance and Economic Development, National League of Cities)

**The Space Between: Building the Infrastructure for Entrepreneurship in Emerging Domains of Activity**

Presenting Author: *Jennifer Woolley*, Assistant Professor, Santa Clara University

Discussant: *Claudia Viek*, CEO, California Association for Micro Enterprise Opportunity (CAMEO)

**3:30 The Unique Challenges of and Opportunities for Minority- and Women-Owned Small Businesses**

While minority- and women-owned businesses have experienced notable growth in the last decade, they have historically faced multiple constraints when seeking capital to start or operate a business. These papers examine the experiences of these groups as they navigate the economic downturn. Questions of interest include: How have current economic conditions affected minority- and women-owned small businesses? How does capital access for women and minorities differ from access for the general population? What best practices and strategies do women and minority entrepreneurs bring to advance innovative and sustainable entrepreneurship?

Moderator: *Myriam Quispe-Agnoli*, Research Economist and Community and Economic Development Adviser, Federal Reserve Bank of Atlanta

**Gazelle Index: New National Survey of High Performing, Small, Minority-owned Businesses**

Presenting Author: *Thomas "Danny" Boston*, Professor of Economics, Georgia Institute of Technology

### **On the Earnings and Employment of Female Hispanic Entrepreneurs in the 2000s**

Presenting Author: *Marie Mora*, Professor of Economics, University of Texas–Pan American (Coauthor: *Alberto Dávila*, Professor and Neuhaus Chair, University of Texas–Pan American)

Discussant: *Gregory B. Fairchild*, Executive Director of the Tayloe Murphy Center and Associate Professor of Business Administration, University of Virginia Darden School of Business

#### **4:45 Closing remarks**

*Joseph Firschein*, Deputy Associate Director and Community Affairs Officer, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System

#### **5:15 Networking reception**

The networking reception will provide an opportunity for attendees to continue conversations on topics illuminated by the day's panel discussions.

THURSDAY, NOVEMBER 10, 2011

#### **8:30 a.m. Continental breakfast**

#### **9:00 Introductory remarks**

*Dennis P. Lockhart*, President and Chief Executive Officer, Federal Reserve Bank of Atlanta  
Introduction by *Todd Greene*, Vice President, Community and Economic Development and Community Affairs Officer, Federal Reserve Bank of Atlanta

#### **9:30 Strengthening Entrepreneurship Opportunities in Urban and Rural Communities**

Urban and rural areas present different hurdles to entrepreneurial and small business growth and sustainability. Among the questions the authors will consider: Who are the providers of credit and capital in rural versus urban communities? How have distressed urban and rural communities successfully fostered sustainable entrepreneurship? What is the role of small business and self-employment in creating economic vitality for communities and individuals in these distinctly different environments?

Moderator: *Jeremiah Boyle*, Community Affairs Managing Director, Community Development and Policies Studies Division, Federal Reserve Bank of Chicago

#### **Determinants of Rural Self-Employment: Insights from County-Level Data**

Presenting Author: *Stephan J. Goetz*, Director, Northeast Regional Center for Rural Development, and Professor, Agricultural and Regional Economics at Pennsylvania State University (Coauthor: *Anil Rupasingha*, Community and Economic Development Research Economist, Federal Reserve Bank of Atlanta)

#### **Capital Availability in Inner Cities: What Role for Federal Policy?**

Presenting Author: *Teresa Lynch*, Senior Vice President, Research Director, Initiative for a Competitive Inner City (Coauthor: *Lois Rho*, Research Practice Manager, Initiative for a Competitive Inner City)

Discussant: *Timothy Bates*, Professor of Economics, Wayne State University

#### **10:45 Break**

**11:00 The Importance of Access to Capital for Business Innovation**

The economic downturn has led to changes in underwriting standards and capital flows. Authors critically examine these changes and how small businesses and start-ups, as well as lenders, are adapting to this new economic environment.

Moderator: *Traci Mach*, Economist, Financial Structure, Division of Research and Statistics, Board of Governors of the Federal Reserve System

**Bank Capital Ratios and the Structure of Nonfinancial Industries**

Presenting Author: *Seung Jung Lee*, Economist, Board of Governors of the Federal Reserve System (Coauthor: *Viktors Stebunovs*, Economist, Board of Governors of the Federal Reserve System)

**Who Seeks and Who Receives? Implications of Demand for and Access to Financial Capital by Young Firms**

Presenting Author: *Sheryl Winston-Smith*, Temple University, Fox School of Business (Coauthor: *Alicia Robb*, Senior Research Fellow, Ewing Marion Kauffman Foundation)

Discussant: *Clinton B. Gwin*, President, Pathway Lending

**12:15 p.m. Luncheon and keynote address**

*Amy Wilkinson*, Senior Fellow, Harvard Kennedy School, Center for Business and Government, and Public Policy Scholar, Woodrow Wilson International Center for Scholars

Introduction by *Anna Alvarez Boyd*, Senior Associate Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System

**2:00 Adjournment**

## Speaker Biographies

**Ben S. Bernanke** began a second term as chairman of the Board of Governors of the Federal Reserve System on February 1, 2010. He also serves as chairman of the Federal Open Market Committee, the system's principal monetary policymaking body. He originally took office as chairman on February 1, 2006, when he also began a 14-year term as a member of the Board of Governors. His second term as chairman ends January 31, 2014, and his term as a board member ends January 31, 2020.

Before his appointment as chairman, Bernanke was chairman of the President's Council of Economic Advisers from June 2005 to January 2006. Previously, he held several roles in the Federal Reserve System: as a member of the Board of Governors; a visiting scholar at the Federal Reserve Banks of Philadelphia, Boston, and New York; and a member of the New York Fed's academic advisory panel. His academic career included teaching positions at Princeton University, Stanford University, New York University, and the Massachusetts Institute of Technology.

Bernanke has published many articles on a wide variety of economic issues, including monetary policy and macroeconomics, and he is the author of several scholarly books and two textbooks. He has held a Guggenheim Fellowship and a Sloan Fellowship, and he is a Fellow of the Econometric Society and of the American Academy of Arts and Sciences. He served as the director of the Monetary Economics Program of the National Bureau of Economic Research (NBER) and was a member of its business-cycle dating committee.

He received a bachelor's degree in economics from Harvard University and a doctorate in economics from the Massachusetts Institute of Technology.

**Dennis P. Lockhart** is president and chief executive officer of the Federal Reserve Bank of Atlanta. In this role he is responsible for all of the bank's activities, including monetary policy, bank supervision and regulation, and payment services. He also chairs the bank's management committee and serves on the Federal Reserve's chief monetary policy body, the Federal Open Market Committee.

Prior to joining the Atlanta Fed in March 2007, Lockhart served on the faculty of Georgetown University's Walsh School of Foreign Service, teaching in the master's program and chairing the program's concentrations in international business-government relations and global commerce and finance. He was also an adjunct professor at Johns Hopkins University's Nitze School of Advanced International Studies. Prior to his academic career Lockhart was managing partner at the private equity firm Zephyr Management LP. He also worked at Heller Financial, where he served as executive vice president and director of the parent company and as president of Heller International Group. Previously, Lockhart held various positions, both domestic and international, with Citicorp/Citibank. In addition to his professional activities, Lockhart was a member of the boards of directors of several companies and was chairman of the Small Enterprise Assistance Funds, a not-for-profit operator of emerging markets venture capital funds.

He holds a bachelor's degree in political science and economics from Stanford University and a master's degree in international economics and American foreign policy from Johns Hopkins University School of Advanced International Studies.

**Carl Schramm** is recognized internationally as an authority on entrepreneurial innovation, job creation, and economic growth. He is president and CEO of the Ewing Marion Kauffman Foundation, the world's premier organization dedicated to creating new firms that grow the economy and expand human welfare. The Kauffman Foundation is the leading private funder of economic research related to growth and innovation in the United States. The foundation also plays a leading role in educational reform.

Schramm is a founding board member of the Startup America Partnership, a White House–initiated private-sector effort. He played a prominent role in the December 2009 White House jobs summit and has served on two U.S. Department of Commerce innovation committees during both the Bush and Obama administrations.

Before joining Kauffman, Schramm served as a professor of health finance and policy at Johns Hopkins University, founded several companies in health care finance and information technology, served as executive vice president of Fortis, and established a merchant banking firm. He was chairman of the Maryland Health Services Cost Review Commission and a member of the Maryland Health and Higher Educational Facilities Authority.

Schramm is a prolific writer whose commentary often runs in publications such as *Foreign Affairs*, the *Wall Street Journal*, and the *Financial Times*. He frequently appears on CNBC and Fox Business News. His two books, *Good Capitalism, Bad Capitalism*, and *The Economics of Growth and Prosperity* (coauthored with William J. Baumol and Robert E. Litan, now published in nine languages) and *The Entrepreneurial Imperative*, are considered international classics in their field for their insights into economic growth. He is a member of the Council on Foreign Relations and a Batten Fellow in the Darden Graduate School of Business at the University of Virginia. He earned degrees in economics and law and holds several honorary doctorates. In 2005, he received the University of Rochester's George Eastman Medal.

**Amy M. Wilkinson** is a senior fellow at the Center for Business and Government at Harvard University and a public policy scholar at Woodrow Wilson International Center for Scholars. Fascinated by how leaders must reinvent their approaches to excel in an entrepreneurial age, she is writing a book on global entrepreneurs that will be published by Simon & Schuster in 2012.

Previously, Wilkinson served in the White House Office of the U.S. Trade Representative (USTR) as a senior policy adviser and White House fellow. Working with the cabinet-ranked USTR, she helped coordinate congressional passage of the Central America Free Trade Agreement, outline U.S.-China trade policy, and negotiate the Panama, Peru, and Colombia trade agreements. An experienced international business executive, she joined the White House from McKinsey & Company, where she advised corporate clients on strategy and its implementation. Prior to joining McKinsey, she was an investment banker at J.P. Morgan and founder and CEO of an international art-export company. Wilkinson began her career as the chief of protocol for the U.S. Embassy in Mexico.

She is a member of the Council on Foreign Relations and has been a guest lecturer at Harvard, MIT, and Stanford. She holds a bachelor's degree, master's degree, and MBA from Stanford University. Her writing has been featured in the *Economist*, *Bloomberg Businessweek*, the *Washington Post*, *USA Today*, and *Stanford Social Innovation Review*, among other publications.

### **Conference Planning Committee**

*Kyan Bishop*, Senior Community Affairs Analyst, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System  
*David A. Kaufmann*, Community Affairs Manager, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System  
*Karen Leone de Nie*, Community and Economic Development Research Director, Federal Reserve Bank of Atlanta  
*Robin Prager*, Deputy Associate Director, Division of Research and Statistics, Board of Governors  
*Myriam Quispe-Agnoli*, Research Economist and Community and Economic Development Adviser, Federal Reserve Bank of Atlanta  
*Alicia Robb*, Senior Research Fellow, Ewing Marion Kauffman Foundation  
*John Robertson*, Vice President and Senior Economist, Federal Reserve Bank of Atlanta  
*Barbara J. Robles*, Senior Research Liaison, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System  
*Paula Tkac*, Vice President and Senior Economist, Federal Reserve Bank of Atlanta

### **Reviewers** (in addition to the planning committee)

*Neil Bhutta*, Board of Governors of the Federal Reserve System  
*Jeremiah Boyle*, Federal Reserve Bank of Chicago  
*Kenneth P. Brevoort*, Board of Governors of the Federal Reserve System  
*Ana Cruz-Taura*, Federal Reserve Bank of Atlanta  
*Chris Cunningham*, Federal Reserve Bank of Atlanta  
*Lei Fang*, Federal Reserve Bank of Atlanta  
*Jessica Farr*, Federal Reserve Bank of Atlanta  
*Kris Gerardi*, Federal Reserve Bank of Atlanta  
*Todd Greene*, Federal Reserve Bank of Atlanta  
*Julie Hotchkiss*, Federal Reserve Bank of Atlanta  
*Tammie Hoy*, Federal Reserve Bank of Richmond  
*Claire Kramer*, Federal Reserve Bank of New York  
*Yongzheng Liu*, Federal Reserve Bank of Atlanta  
*Traci Mach*, Board of Governors of the Federal Reserve System  
*Ana Patricia Muñoz*, Federal Reserve Bank of Boston  
*Melinda Pitts*, Federal Reserve Bank of Atlanta  
*Tara Rice*, Board of Governors of the Federal Reserve System  
*Lena Robinson*, Federal Reserve Bank of San Francisco  
*Anil Rupasingha*, Federal Reserve Bank of Atlanta  
*Robert Schnorbus*, Federal Reserve Bank of Richmond  
*Maude Toussaint-Comeau*, Federal Reserve Bank of Chicago

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