

# Entrepreneurship Is Accelerating at the Fastest Rate in Decades During This Pandemic

As officials in many areas impose new pandemic lockdowns and restrictions going into the holiday season, things can seem bleak. Depression rates are up, people are fleeing cities in droves, elected leaders regularly violate their own orders, and fraud is rampant in the government's COVID-19 stimulus programs.

It's understandable to feel frustration and despair.

But more Americans are pushing past the grimness to create and invent during this challenging time. Entrepreneurship continues to soar during the pandemic, as displaced dreamers and imaginative doers spot new opportunities and build new businesses at a record pace. It may be one of the few 2020 bright spots.

This week, the *Wall Street Journal* reports that entrepreneurship during the pandemic is accelerating. Several metrics point to this growth, including the number of people applying for tax identification numbers. The *Journal* cites US Census Bureau data revealing that applications by small businesses rose nearly one-third between January and September, compared to the previous year. In particular, applications skyrocketed between July and September, rising 77 percent from the previous quarter—the biggest quarterly increase in 16 years of tracking this data.

This week's report reinforces the trend toward entrepreneurship during the pandemic that the *Journal* first highlighted last month, stating then: "Americans are starting new businesses at the fastest rate in more than a decade."

Many of the individuals currently leaping into entrepreneurship are workers whose businesses were shut down by government edict and who experienced associated layoffs or pay cuts. According to this week's *Journal* article: "To adapt to the pandemic and the job loss it unleashed, more Americans are becoming their own bosses, setting up tiny businesses to work as traveling hair stylists, in-home personal trainers, boutique mask designers and chefs. A man in Maryland started a mobile car-washing business."

## **New Needs, New Business Opportunities**

Other entrepreneurs are identifying fresh needs and unmet demand during the pandemic and are inventing new technologies as a direct result of this unprecedented experience.

FEE just concluded its weeklong **Entrepreneur Week** series of free webinars aimed at inspiring teenagers and young adults to be entrepreneurial. One of the panelists was Stanford University senior, Antonia Hellman, who along with her brother Ethan recently

founded Toucan, a virtual events and social platform, as an immediate response to the pandemic shutdowns. According to Hellman: “Toucan is a platform that is designed to allow people to have more human interactions at their virtual events. This started after my brother, who is a sophomore at Stanford, and I got sent home from school and we realized that the default videoconferencing tools were simply not good enough to keep communities together. We were not only physically isolated from all of our friends, but our connection wasn’t facilitated at all by these existing tools. The default was to hop on a Zoom call. After we had a couple of events where 20 to 30 people were all in their little squares, and they all turned off their microphones and cameras and the conversation just died, we realized that we needed a different solution that actually allowed people to have fun interactions virtually. That way we could keep those communities together.”

The pair then sat down at their kitchen table and plotted the development of Toucan, which uses advanced technology to closely replicate human interactions virtually. Toucan officially launches next week.

Another panelist at this week’s webinar series was John Chisholm, longtime entrepreneur, investor, and author of *Unleash Your Inner Company: 10 Steps To Discover, Launch, and Scale Your Ideal Business*. In his book’s newly-released paperback edition, Chisholm says that the pandemic is a great time to start a new business and he offers tips for starting a company during times of crisis. Chisholm writes: “Most importantly, crises create new needs. During the 2020 COVID-19 virus crisis, people needed to connect with friends and family despite an inability to travel, exercise despite gym closures, get food and supplies delivered, work remotely, and much more. Some of these new needs ended with the lockdowns; others will continue indefinitely. You have to assess not only which needs you can best serve, but also, since those needs will require investment by you, how long they will last. Assessing this will require talking to many people, weighing much data, and taking some risk. The longer you keep asking questions, the clearer the picture becomes.”

As we enter the final weeks of a very difficult year, and encounter new lockdowns and restrictions, it can seem that 2020 offers little to celebrate. Yet, the COVID-19 pandemic has triggered a burst of entrepreneurial ambition leading to new businesses, new inventions, and new pathways of prosperity for many Americans. The creativity, ingenuity, and determination to take risks and persevere that this year’s entrepreneurs have demonstrated can be a beacon for all of us, and a reminder that our entrepreneurial spirit is alive and well.