

Little engine that could

Fear not, Baltimore: Despite Wall Street woes, small businesses will keep our economy growing

By Jim Kucher
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Fannie Mae and [Freddie Mac](#), AIG, [Lehman Brothers](#) - and now, closer to home, Constellation Energy. Once again, Baltimore slumps into a chair and sings the blues: "Only one Fortune 500 company left in town." "We're a branch office community." "All that money went north, south and west." It's easy to see why Chicken Little might be a better candidate for local mascot than the Ravens' Edgar, Allan and Poe.

But fear not. Baltimore and many other midsize cities now get all of their economic growth from small business and new ventures. Sure, these local innovators and entrepreneurs keep one eye on Wall Street; they want to know what's going to happen, same as you and I do. But while others fret, they continue to seize on opportunities and build on dreams. They develop ideas, solve problems and serve neglected markets. They're the guys who would open a much-needed coffee shop or a hardware store on your street - the one that needed the help the most and was least likely to get it from some giant company.

Why am I upbeat about Baltimore, despite the announcement of Constellation's sale to [MidAmerican Energy](#) Holdings amid a plummeting stock price? Well, for one thing, Maryland beats the national average in small-business survival. For another, the U.S. Small Business Administration recently named our city as one of 11 sites nationally for its Emerging 200 program - an effort to give 200 small inner-city businesses a boost because of their potential for high growth and employment. Seventeen of these firms are in our town, including a mid- to high-end printing company, a day care provider for mothers re-entering the work force, and an installer of granite counter tops. Each is receiving professional guidance and training in order to maximize its effectiveness in the marketplace.

I take this news as an indicator of our success - that Washington sees its neighbor to the north as a viable home for a local economic model that is new and different, and primed for success. If they see us that way, perhaps it's time that we do the same.

Here are some essential numbers for our area: Ninety-five percent of all businesses in Maryland employ 50 or fewer people. For the last 15 years, the only sector with an unbroken string of net new jobs is small business. Let's not forget that these firms are not getting tax breaks or other incentives to stay in town, construct buildings or expand their footprints. They're doing it the hard way, through perseverance and perspiration.

It's not just about new jobs, either, but about the effective utilization of capital - not investing in those crazy markets, not hiding it under the mattress. They're investing in the only thing we can really count on: individual abilities. They secure the dollars to grow their businesses, and they just go out and do it. When they hang up that "Grand Opening" banner, for a bakery or a grocery delivery service or a dentist's office, they are truly investing. And even if capital markets dry up, they find a way, through barter, partnerships and boot-strapping.

So, to all those who are fretting about bankruptcies and bailout proposals: Get a clue. American entrepreneurship represents a step beyond the frazzled, fickle corporate outlook of the Lehmans of the world. It represents freedom. It means that we are our own boss; we manage our own affairs. While some race to pull capital from traditional markets, we're cheering on the angels and entrepreneurs who are funding the next generation of business growth and job creation.

As Mike Morris from Syracuse University likes to say, "Entrepreneurship is the most empowering, the most democratic, the most freedom-creating phenomenon in the history of the human race."

The sky is not falling in our fair city; in fact, there's an updraft. Let's fly with it.

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