

A Nation of Entrepreneurs: Our Most Undervalued Asset



ALFREDO MATHEW III
Founder & CEO, SPCC.1

In my classroom, I always took it as a special challenge to make every day engaging, not just for the smartest kid in the class, and not just for the inevitable group of kids who wanted to take over. Everyday for fourteen years, my goal was clear: maximize the engagement for the maximum number of learners. It was not my job to pick winners and losers in life, and I certainly did not have the power to control what young people did with the opportunities I presented outside the classroom and later in life. But my values have not changed in 50 years of living. We all Belong, we all have value, and we need to shift power to level the playing field so that our most undervalued assets, our people and our communities can thrive.

After 25 years in public education and youth development, I've seen thousands of young people make the transition from school to college and career. I promised the American Dream, that education was the pathway to the middle class and upward mobility, and we can all own our futures. But college degrees, stable employment, and homeownership are not the wealth-building tools they once were; and **our society consistently fails to serve the majority**, favoring systems that optimize for the top and neglect the rest.

This winner-takes-all mentality isn't just in education; it permeates every facet of our society—healthcare, business, entertainment—

because we've accepted the idea that the top 1% should control the majority of wealth and power. We've applied a Silicon Valley venture-capital model to every institution, funneling resources to a select few while leaving the rest to fend for themselves.

Five years ago, I almost launched a company with my friend and now colleague, Alfred Solis, called Night Shifts—a reimagined night school for opportunity youth focused on maximizing the potential of the majority. While that venture didn't materialize, its core philosophy shaped all my work since: a belief that bell-curve-shaped wealth distribution—not winner-takes-all systems—is the superior economic model. (this is closely aligned to Policy Link's [Equity is the Superior Growth Model](#)). It maximizes societal assets and minimizes waste, creating a robust middle class, with room for high achievers at the top and a safety net at the bottom.



A Nation of Entrepreneurs

Entrepreneurship is essential for job and value creation. We are a nation of entrepreneurs where one out of every 2 adults will create a business, and 33% of those that do will be serial entrepreneurs. Yet there is a difference between starting a business and creating an employee-based enterprise that becomes a wealth-building asset.

The majority of business owners are stuck at the beginning stages of business development, and rarely move out of self-employment. 96% of Black business owners and 92% of Latino business owners are sole proprietors generating an average of \$27k and \$36k a year respectively; only employer enterprises can access contracts and capital to truly grow into a profitable enterprise. Most today are basically gig economy workers, the self-employed; unable to grow the capacity to compete on a level economic playing field. A business is not an asset until it has value beyond the labor provided by the business owner.

In the United States today there are 33.2M business owners and 99.9% are small businesses generating 44% of our nation's GDP. Entrepreneurship as a cultural phenomenon and an aspiration has never been more popular; yet the reality is most business owners will never achieve economic prosperity where their hard work and dreams translate into generational wealth. We have already lost faith in many of our institutions from public education to the mainstream media; **If we lose the dream of entrepreneurship, we lose faith in the American Dream.**

Are the trillion-dollar valuations of tech giants like Apple and Microsoft a result of natural market forces, or the outcome of a rigged system that consolidates wealth at the top while diminishing opportunity for the rest?

We live in a networked global economy fueled by capital markets that aggregate power and wealth. The expansion of this system is moving at a tremendous pace, and local communities and the business owners operating in them are being left behind. Small businesses as a percentage of GDP have been in decline since the 1980s, and show no sign of rebounding. The S&P 500, made up of the largest publicly traded companies, contribute 40-45% to our GDP and are valued at over \$40T. Within the S&P, there is an even further consolidation of trillion dollar companies such as Apple and Microsoft with the top 4% representing 25-30% of the total market capitalization.



Who's more valuable, the top 1% of corporations or the 33M entrepreneurs with a dream?

99% of all would-be entrepreneurs are too small and fragmented to compete against **platform monopolies**. If we don't take action now, this gap will only widen with the large-scale integration of A.I. and massive public and private investments to mitigate climate change benefiting incumbents and leaving the middle and working classes further behind. The future is not about making sure A.I. doesn't take our jobs. It's making sure we all have a stake in Big Data from owning shares of the leading platforms to monetizing our use of the models.

The value creation is in the hands of the 33M entrepreneurs, not the platforms we use to operate our businesses and build our dreams.

Owning Our Future

What would the world look like, what would it feel like, if we owned the future?

Our current economic system is extractive. It consolidates wealth and power in fewer and fewer hands. What if we inverted this system and maximized the middle class instead of the extremes of the bell curve?

Shifting the focus to the middle isn't just a moral imperative—it's an economic one. Wealth is not finite. By investing in the majority instead of the extremes we can grow the economy, reduce spending on the social safety net, and address our most complex challenges from climate change, to inequality, to loneliness. Studies show that addressing the racial wealth gap can boost GDP by 3-4% annually, and focusing more broadly on underinvested communities we can create a thriving middle class benefiting everyone - including those at the top.

What Would a World Focused on the 80% Look Like?

1. Economic Distribution

- **Current Scenario:** The top 20% controls most wealth, while inequality deepens.
- **Shifted Focus:** Prioritize the middle 80% through fair wealth distribution, tax reforms, and support for small businesses.
- **Outcome:** A stronger middle class, reduced inequality, and a more resilient economy.

2. Education and Workforce Development

- **Current Scenario:** Elite schools and top students receive most resources, leaving the majority underserved.
- **Shifted Focus:** Equitably distribute resources, fostering diverse learning styles and supporting workforce development for the middle 80%.
- **Outcome:** Better learning outcomes, a more adaptable workforce, and reduced inequality.

3. Healthcare

- **Current Scenario:** High-cost treatments dominate, while preventive care is neglected.
- **Shifted Focus:** Prioritize preventive, affordable healthcare for the majority.
- **Outcome:** Healthier populations and reduced overall healthcare costs.

4. Business Models and Market Competition

- **Current Scenario:** Large corporations dominate, stifling small businesses.
- **Shifted Focus:** Support decentralized, cooperative business models that empower small and medium enterprises.
- **Outcome:** Diverse markets, innovation from local businesses, and a more sustainable economy.

