

EDITOR'S NOTE

The world has dramatically changed since JSBS was last published. The events of September 11th coupled with the slowdown in the U.S. economy have taken a toll on many corporations, small businesses and individuals. The stories, their meaning and the implications of all of this have been articulated by far more qualified people than this editor. However, it is worth noting that these events have further underscored the necessity of the significant contributions of those who are involved in the field of small business and entrepreneurship including teaching, field case consulting, and applied research (and the dissemination of this knowledge). Here are a few anecdotal examples:

- Although overshadowed by the collapse of Enron and bankruptcy of K-Mart, there are a large number of small businesses who are experiencing significant downturns. I spoke with a client today who is having his worst winter in twenty years and has had to lay off much of his workforce.
- As you are aware, Allan Greenspan and the Federal Reserve reduced interest rates throughout 2001. However, many small businesses and entrepreneurs have had difficulty *accessing* what would appear to be low cost capital due to fears on the part of lenders regarding the risks associated with an economic slowdown. At the same time, the U.S. SBA continues to expand its "LowDoc" lending activities according to the SBA Pittsburgh District office.
- Many of us also work in the area of not-for-profit organizations. The generosity of corporations and individuals to contribute to the Red Cross and a number of other high profile charitable/social service agencies has left many other smaller, less visible not-for-profits in a difficult position as they have been lost in the shuffle.
- A large number of cutbacks in the corporate sector (including "hi tech") are channeling larger numbers of professionals into "entrepreneurial" directions. We are seeing this in our Self Employment Assistance Program (SEAP) where recently unemployed persons are offered a program whereby classes, training and counseling are provided to them to assist in starting up their own business.
- I recently spoke with the Executive Director of a Community Development Financial Institution (CDFI) on whose Board and Loan Committee I serve. When I casually asked him how things were going, he responded, "When times get bad, we get busy."

Let us hope that the economy turns around and our small businesses and entrepreneurs enjoy expanded opportunities in the future.

Stephen W. Osborne, Editor

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