

# *The Birth of New Small Businesses*

One of the unintended consequences of the latest economic slow down will be the birth of new small businesses. As the economy continues to slow down, more and more companies will either downsize or close their doors for good. People will lose their jobs. They will either have to find new employment or go out and start their own businesses. Since most companies are not hiring in this current economic climate, many of these people will end up starting their own businesses.

For example, in the early nineteen nineties during our last economic slowdown, the pyramid structure of corporations were essentially flattened when they laid off hundreds of thousands of middle level executives. Some of these people were eventually hired back by their companies as independent contractors. Those independent contractors were self-employed; they were working for themselves. In every economic down cycle, people who are scrambling to survive will do whatever work they can to put food on the table and a roof over their heads. This includes opening up their own small business. This economic cycle is no different.

People will rely on family, friends and business associates to assist in finding new jobs or to start their own business. The new business can be in almost field, including management consulting, sales, technical support, education training, programming, restaurant, travel, etc. The secret is for each person to know their special skills and to use them to create the business that they want.

In a recession, there are only so many corporate jobs to go around. The demise of a few large corporate giants does not mean the end of the world. It just means that new opportunities in new industries are coming into play. The government's focus should not be to pour more money into maintaining failing industrial giants, but to cultivate and grow small businesses that can become the new industrial giants of tomorrow.