



DIRECT SELLING ASSOCIATION

## **The State of Entrepreneurism in America and The Role of Direct Selling**

### **Overview**

The United States has long-embraced the notion that entrepreneurship is foundational to the success and vibrancy of our economy by encouraging competition and spurring innovation. Today, new technological and cultural trends, as well as recent policy changes, are making it easier than ever for Americans to strike out on their own and work independently in a variety of professional capacities, including as real estate agents, insurance brokers, direct sellers, wedding planners, and graphic designers. Entrepreneurism now is on the rise across all generations, with independent workers anticipated to compose half of the full-time workforce by 2020.<sup>i</sup>

Social networking and the emergence of cloud-based computing tools are driving a new kind of community-building among today's entrepreneurs, allowing them to combine the "virtual" water cooler with the benefits of professional associations. The result: robust and engaging online communities formed around work interests, skill sets and industries.

These new communities provide a backbone of professional support allowing entrepreneurs to find work, share ideas and gain access to industry and skill-specific information and trends. The ability to form these communities from the comfort of one's home or a local coffee shop has provided a new type of independence and flexibility in one's career that is especially appealing to certain demographics, such as working parents, caregivers, retirees and veterans.

At the same time, most policymakers are only now beginning to appreciate the dynamics shaping America's modern independent workforce. Their closer examination of and interest in this area has potential implications for the continued growth of this sector of the economy in the future.

### **Direct Selling: An Important Channel Facilitating Entrepreneurism in the U.S.**

Direct sellers have long-served as important contributors to America's entrepreneurial economy. Today, an estimated 18.2 million Americans are involved in earning money and building businesses selling retail products through the direct sales channel, and collectively, these direct sellers contribute more than \$34 billion to the U.S. economy on an annual basis.<sup>ii</sup>

Personal connections are the foundation of success in direct sales. Direct sellers serve as both product consultants and distributors. Over the years, they have engaged with their customers one-on-one, by hosting parties, or, more recently, through the use of social commerce platforms and tools to share their own experiences with the products and generate sales.

Direct sales offers individuals the flexibility and autonomy to work when and where they want. Today, social media sites such as Facebook and Pinterest have made it even easier for direct sellers to enjoy flexibility in their work schedules – all while continuing to reach a wide potential customer base through their own social media networks, as well as the extended networks of their friends and family.

## **Summary**

Today, entrepreneurs play an important and burgeoning role in shaping and advancing the nation's economy, with direct sellers making significant contributions. New technological innovations, cultural trends, and policy changes have all added to the increasing attractiveness of entrepreneurship in the U.S. and helped enable the continued growth of this sector.

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<sup>i</sup> <http://www.forbes.com/sites/groupthink/2013/11/25/how-an-exploding-freelance-economy-will-drive-change-in-2014/>

<sup>ii</sup> <http://www.dsa.org/news/press-releases/individual-press-release/direct-selling's-u.s.-economic-and-employment-footpring-continues-to-expand-according-to-new-national-survey-data>