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Abstract

This article uses UK data to explore how small businesses have coped during the recent financial crisis. The analysis shows that small businesses are vulnerable to falling demand, reduced sales, and increased costs. However, three-quarters of entrepreneurs had a desire to grow. This suggests that while the immediate effects of recession are severe, entrepreneurs recover quite quickly. Importantly, the analysis found that recessionary growth is hugely concentrated among entrepreneurs with the highest human capital.



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Marc Cowling is a Professor of Entrepreneurship at Brighton Business School and Director of Research, where he leads a group of academics involved in teaching and researching aspects of entrepreneurial business processes and performance. Currently his research focuses on the impact of the global financial crisis on the financing and performance of smaller firms, particularly on how experienced and inexperienced entrepreneurs differ in their ability to access finance and subsequent business outcomes. Prior to his appointment at Brighton he was Head of Management Studies at Exeter Business School.

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