



Entrepreneurship = Recovery: A Formula for Long-Term Economic Growth

Global Conference 2009



Entrepreneurship = Recovery: A Formula for Long-Term Economic Growth

Tuesday, April 28, 2009; 11:00 AM - 12:15 PM

Moderator:

Frank Luntz, President, The Word Doctors.com

Speakers:

James Cain, U.S. Ambassador to Denmark (Ret.); Chairman, Cain Global Partners LLC

Kris Gopalakrishnan, CEO and Managing Director, Infosys Technologies Ltd.

William Saito, Director, Venture Support Center, Japan National Institute of Advanced Industrial
Science and Technology (AIST)

Carl Schramm, President and CEO, Ewing Marion Kauffman Foundation

Kauffman Foundation survey found Americans think entrepreneurship is key to economic recovery



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Kauffman surveyed a national sample of Americans and found:

- 79 percent of respondents said entrepreneurs are critically important to job creation, ranking higher than big business, scientists, and government.
- By a margin of three to one, Americans favor business creation policies as opposed to government creating new public and private sector jobs.
- Of respondents, 72 percent said the government should do more to encourage individuals to start businesses, and almost half think the laws in America make it more difficult to start a business.

Source: Kauffman Foundation, "Kauffman Survey: Entrepreneurship and Economic Recovery," March 2009.

Dismal forecast for job creation in 2009



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U.S. predicted to lose 3.3% of jobs in 2009

	State	2009 forecast change in jobs
<i>Most jobs lost</i> ↑	Michigan	-5.8%
	Connecticut	-4.9%
	Hawaii	-4.5%
	Kentucky	-4.4%
	...	
<i>Fewest jobs lost</i> ↓	North Dakota	-2.0%
	Texas	-1.8%
	Washington	-1.6%
	District of Columbia	-0.8%

Source: Moody's Economy.com.

Companies founded during a recession or bear market



- 3M
- Adobe Systems
- Amgen
- Apple
- Bath and Body Works
- BET
- Broadcom
- CNN
- Chevron
- Disney
- Electronic Arts
- Enterprise Rent-A-Car
- Exxon Mobil
- Gallup
- Genentech
- General Electric
- Genzyme
- Guess
- Hyatt
- IBM
- Johnson & Johnson
- Kraft
- Merck
- Microsoft
- Pizza Hut
- Princeton Review
- Quiznos
- Scottrade
- United Technologies
- Urban Outfitters
- Whole Foods

Source: Ewing Marion Kauffman Foundation.

Importance of start-ups to job growth and employment

- From 1980 to 2005, firms less than 5 years old accounted for all net job growth in the United States.
- In states such as Nevada and Idaho, firms less than 3 years old accounted for over 10 percent of employment on average between 2000 and 2005.
- In 2007, an average of 0.3 percent of adults created a new business each month, resulting in 495,000 new businesses per month.

Ease of doing business rankings

Top ten economies



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	Ease of doing business, overall	Ease of starting a business
Singapore	1	10
New Zealand	2	1
United States	3	6
Hong Kong	4	15
Denmark	5	16
United Kingdom	6	8
Ireland	7	5
Canada	8	2
Australia	9	3
Norway	10	33

Source: World Bank.

Ease of doing business rankings

Bottom ten economies



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	Ease of doing business, overall	Ease of starting a business
Congo, Dem. Rep.	181	154
Central African Republic	180	152
Guinea-Bissau	179	181
Congo, Rep.	178	157
Burundi	177	138
São Tomé and Príncipe	176	136
Chad	175	180
Venezuela	174	142
Eritrea	173	178
Niger	172	159

Source: World Bank.