



Job Generation Engines – Business Incubators and Entrepreneurship in Wisconsin

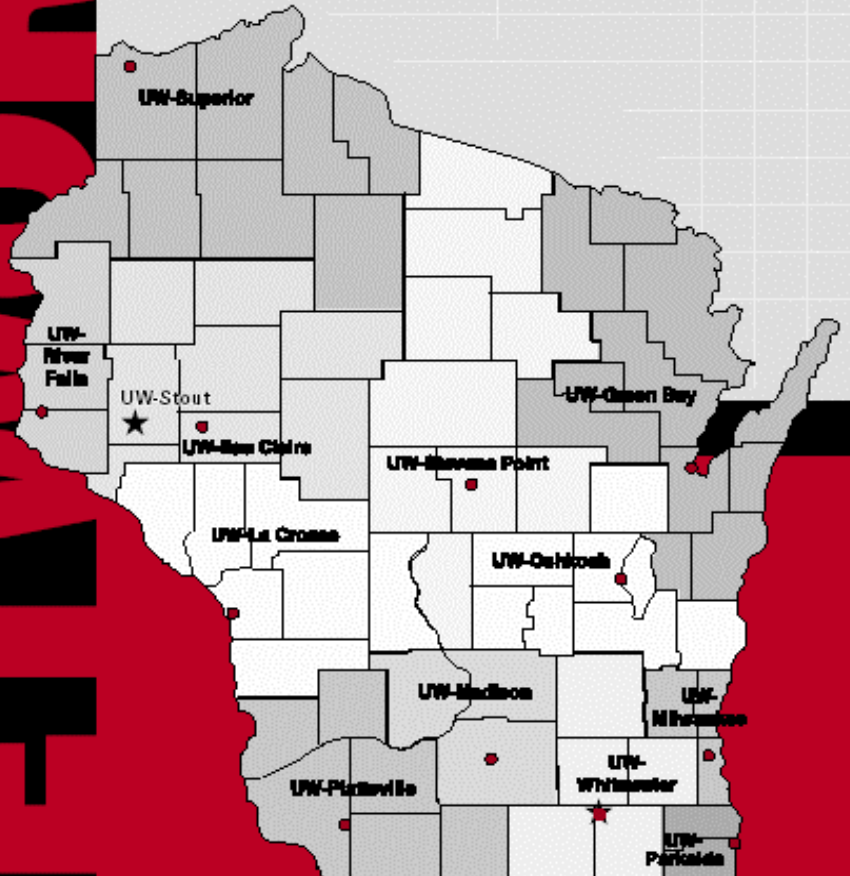
**University Research Park
MG&E Innovation Center
Madison, Wisconsin
December 2, 2003**

**Erica Kauten, State Director
UW-Extension Small Business Development Center**

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STATEWIDE NETWORK



● Small Business Development Centers | ★ Specialty Centers

Business Counseling
Management Education
Technical Assistance

Provided information to over 8,000 individuals

Provided counseling and training to over 9,000

17,000 hours of counseling and technical assistance

Education that generated:
437 programs
7,741 enrollments
Nearly 82,500 student contact hours

Over \$1.6 million in revenue

Small Business Development Center



Global Entrepreneurship Monitor

(GEM), the unique annual study of entrepreneurship conducted by Babson College and funded by the Kauffman Foundation of Kansas City.

GEM is the Only annual measurement of entrepreneurial activity.

Keeps tabs on

- Those who have started a business and are within their first 42 months
- Attitudes of those who MIGHT be interested in engaging in entrepreneurship.

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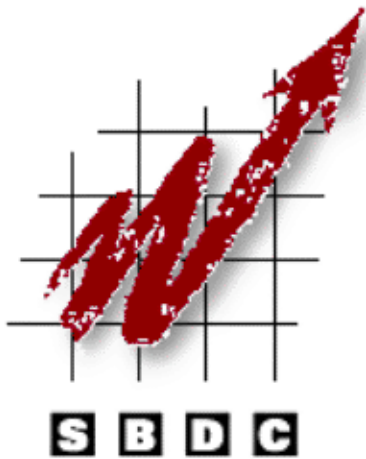
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Paul Reynolds is the Paul T. Babson Chair in Entrepreneurial Studies at Babson College (Wellesley, Massachusetts), a Visiting Professor in Entrepreneurship at the London Business School, and the director of the annual Babson-Kauffman Entrepreneurship Research Conference (1996-1999). He was the Coleman Foundation Chair in Entrepreneurial Studies at Marquette University (Milwaukee, Wisconsin) for five years (1990-1995). Conducted first screening in Wisconsin in 1992.

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Global Entrepreneurship Monitor

- 1. Slump bottomed out** - Level of entrepreneurial activity in the US held steady. Americans engaged in creating or growing businesses less than 42 months old stood at 10.5 percent of the adult population in 2002.
- 2. Optimism holds steady** - When asked if there will be "good opportunities for starting a business" in the next six months, 37 percent of American adults said yes, which was the same as 2001 levels..

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Global Entrepreneurship Monitor

- 3. Strong education-jobs link.** Nearly a third of entrepreneurs with less than a high school education expect to remain self-employed over the next five years, while 35 percent of the most highly educated entrepreneurs expect to employ 20 or more people over the next five years.
- 4. “Informal” capital holds the key.** One in 20 adults reported investing money in entrepreneurial firms, with 50 percent of those proceeds going to companies owned by relatives.

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Global Entrepreneurship Monitor

- 5. Gender gap persists.** Women continue to be less engaged in entrepreneurial activity than men. There are 1.6 men in the U.S. involved in entrepreneurship for every woman engaged in the same activity. Young men are three times more likely to start a business than young women.

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Leading research demonstrates an essential link between innovation, entrepreneurial activity and economic prosperity at all levels of analysis.

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At the national level, entrepreneurial activity accounts for...



- differences in the rate of economic growth between nations;
- a significant proportion of all net new jobs created nationally; and
- a significant proportion of new technological advances nationally.

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At the region level, entrepreneurial activity accounts for...



- the adaptability, reinvigoration and sustainability of regional economies over time
- differences in the rate of economic growth and development between regions; and
- differences in the levels of productivity and standards of living between regions.

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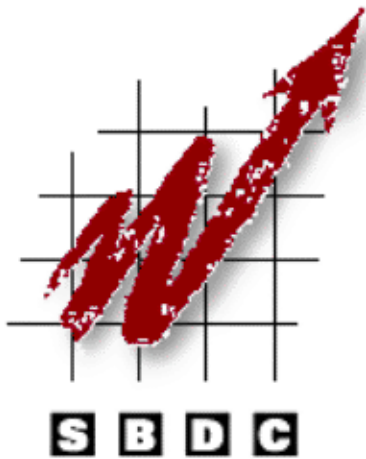
Variations in Regional Entrepreneurship

- All regions have some entrepreneurship activity.
- However, some regions produce **5** new ventures for every **1** produced in other regions.
- Between 1990 and 2001, the variation in the average annual change in new firm births was from **11.7%** to -**5.4%**.

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Variations in Regional Entrepreneurship

Entrepreneurship accounts for:

- **75%** of the differences in total employment between U.S. regions
- **36%** of the differences in productivity between U.S. regions
- Nearly **50%** of the differences in wages between U.S. regions
- More than **50%** of the differences in income between U.S. regions

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What needs to be done?

- Benchmark regional innovation and entrepreneurship capacity and performance;
- Formulate entrepreneurship acceleration strategies into the region's overall economic development portfolio;
- Conduct in-depth analyses of minority entrepreneurship and developing strategies for fostering entrepreneurship within these populations;

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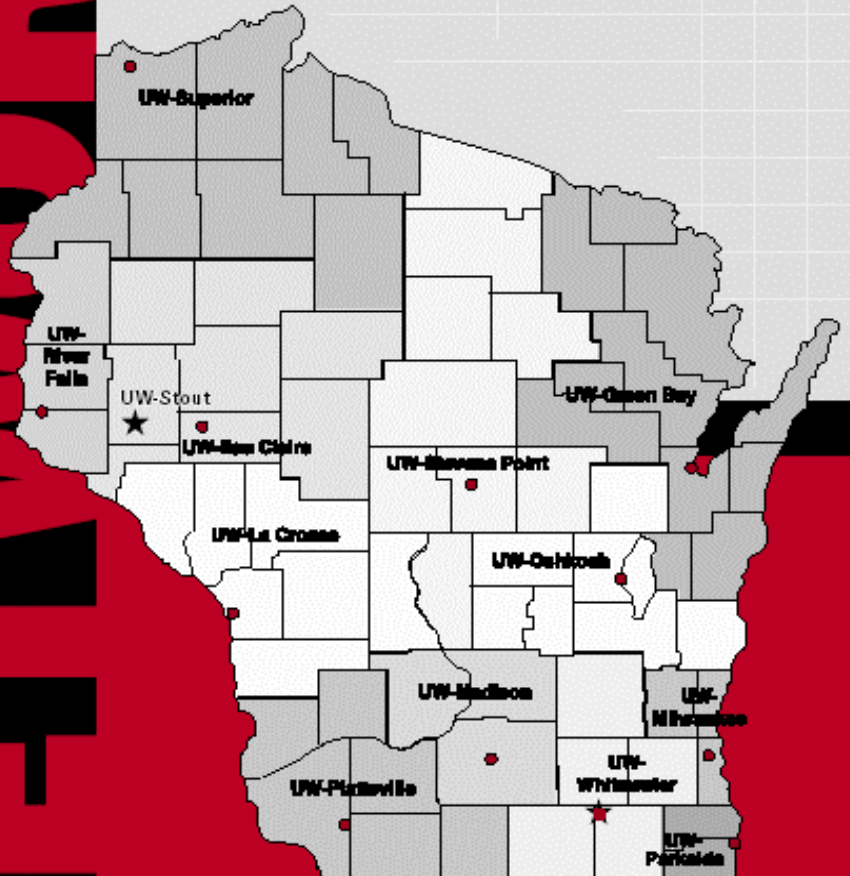


What needs to be done?

- Analyze emerging industry cluster opportunities and competitiveness within the particular region;
- Document innovative strategies, policies and practices for advancing entrepreneurship development in diverse settings.

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