



### HAIL TO THE JOB CREATORS:

Ninety-two percent of Americans say entrepreneurs are critically important to job creation; 75 percent think the United States cannot have a sustained economic recovery without another burst of entrepreneurial activity.

*Kauffman Foundation Survey of Entrepreneurs, September 2009*

From 1980–2005, firms less than five years old accounted for all net job growth in the United States.

*Business Dynamics Statistics Briefing: Jobs Created from Business Startups in the United States, January 2009*

Excluding startups, young firms—defined as one to five years of age—accounted for nearly two-thirds of job creation in 2007.

*Where Will the Jobs Come From?, November 2009*

### THE STARTUP PHENOMENON:

More than half of the companies on the 2009 *Fortune* 500 list were launched during a recession or bear market, along with nearly half of the firms on the 2008 *Inc.* list of America's fastest-growing companies.

*The Economic Future Just Happened, June 2009*

In 2008, an average of 0.32 percent of adults created a new business each month, equaling about 530,000 new businesses per month.

*Kauffman Index of Entrepreneurial Activity 1996-2008, April 2009*

Entrepreneurs are the answer. Seventy percent of U.S. registered voters think the health of the economy depends on the success of entrepreneurs.

*Luntz, Maslansky Strategic Research Survey (sample size: 816), September 2008*

Let's hear it for the next generation. Four in ten U.S. young people ages 8 to 21 have or would like to start their own business someday, and 63 percent agree that they have the ability to successfully start their own business.

*Harris Interactive® Survey (sample size: 2,438), July/August 2007*

### THE DEMOGRAPHICS:

Contrary to popularly held assumptions, the highest rate of entrepreneurial activity belongs to the 55–64 age group over the past decade. The 20–34 age bracket has the lowest.

*The Coming Entrepreneurship Boom, June 2009*

Most high-tech founders come from middle-class or upper-lower-class backgrounds, are well-educated, and married with children.

*The Anatomy of an Entrepreneur: Family Background and Motivation, July 2009*

Of new firms...

- 70 percent are men-owned; 30 percent are women-owned
- 81 percent are white-owned
- 9 percent are African-American-owned
- 6.6 percent are Hispanic-owned
- 4 percent are Asian-owned
- 5 percent are owned by Native Americans, Pacific Islanders, and individuals of other racial groups

*The Kauffman Firm Survey, March 2008*

[www.kauffman.org](http://www.kauffman.org)

(over)

**Companies  
Founded During  
a Recession or  
Bear Market**

- 3M
- Adobe Systems
- Amgen
- Apple
- Bath and Body Works
- BET
- Broadcom
- Buffalo Wild Wings
- CNN
- Chevron
- Dave and Buster's
- Disney
- Electronic Arts
- Enterprise Rent-A-Car
- Exxon Mobil
- Gallup
- Genentech
- General Electric
- Genzyme
- Guess
- Hyatt
- IBM
- Johnson & Johnson
- Kraft
- The Learning Company
- Lotus Software
- Merck
- Microsoft
- O'Reilly Auto Parts
- Pizza Hut
- Princeton Review
- QuikTrip
- Quiznos
- Scottrade
- United Technologies
- Urban Outfitters
- Valero
- Whole Foods

**Kauffman FastFacts** ENTREPRENEURSHIP AND THE ECONOMY

**SHOW THEM  
THE MONEY:**

In 2002, 6.5 million privately held, women-owned firms generated an estimated \$940 billion in sales and employed 7.1 million people; however, women-owned firms still underperform men-owned firms.

*Characteristics of New Firms: A Comparison by Gender, January 2009*

Only 16 percent of the fastest-growing and most successful companies in the United States had venture investors.

*Right-Sizing the U.S. Venture Capital Industry, June 2009*

External debt markets are increasingly important to startups as they age, providing 62 percent of financing in 2007 compared to 40 percent in 2004, their first year of operation.

*An Overview of the Kauffman Firm Survey: Results from the 2004–2007 Data, April 2009*

Angel investors participating in organized groups achieve an average 27 percent internal rate of return.

*Returns to Angel Investors in Groups, November 2007*

**THE  
IMMIGRANT  
FORCE:**

In 2008, the immigrant rate of entrepreneurial activity—0.51 percent—was substantially higher than the native-born U.S. population—0.28 percent.

*Kauffman Index of Entrepreneurial Activity 1996-2008, April 2009*

More than a quarter of technology and engineering companies started in the United States from 1995 to 2005 had at least one key founder who was foreign-born.

*Education, Entrepreneurship, and Immigration: America's New Immigrant Entrepreneurs, Part II, June 2007*

Foreign nationals residing in the United States were named as inventors or co-inventors in 25.6 percent of international patent applications filed in the U.S. in 2006.

*Intellectual Property, the Immigration Backlog, and a Reverse Brain-Drain: America's New Immigrant Entrepreneurs, Part III, August 2007*

**GOVERNMENT  
AND  
THE RECOVERY:**

*Facts taken from Kauffman Foundation Survey of Entrepreneurs, September 2009:*

Forty-six percent of respondents believe that the stimulus package has hurt the economy, and 53 percent believe it decreases entrepreneurial activity.

Americans think the government does little to encourage entrepreneurship, despite its importance; 58 percent of respondents say the government should do more to encourage individuals to start businesses, and 35 percent think the laws in America make it more difficult to start a business.

Thirty-eight percent of respondents believe tax cuts and 31 percent believe incentives for small business will encourage entrepreneurial activity.

All studies can be downloaded at [www.kauffman.org](http://www.kauffman.org)

**KAUFFMAN**

The Foundation of Entrepreneurship

v.120209