



INTRODUCING NEW ENTREPRENEURIAL GROWTH AGENDA

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Although entrepreneurship drives economic growth and propels job creation, fewer Americans are starting businesses today than in the past, and overall the economy has been growing slower than in post-recession periods. Seeing these trends in 2014, the Kauffman Foundation launched a two-year initiative to develop new ideas for how to spur broad-based economic growth and opportunity through entrepreneurship. The result is the **New Entrepreneurial Growth Agenda** at www.Kauffman.org/NEG, a rich digital collection of essays written by the nation's leading researchers and policy experts offering recommendations for how national, state, and local governments can foster entrepreneurship.

New Entrepreneurial Growth Policy Recommendations

- **Reduce the opportunity cost of entrepreneurial experimentation**

- The opportunity cost of trying—not insufficient funds—is a primary barrier to starting a new business.
- Move to an insurance approach that creates an entrepreneurial safety net, reducing opportunity costs of starting new businesses, enhancing labor mobility, and enabling more people to experiment with ideas.

- **Increase the labor market supply and velocity**

- Slowing labor force growth may be a principal factor in the long-term fall in business creation.
- Encourage immigrant entrepreneurs to come to the United States and stay to start new companies. Develop a startup visa, encourage state experimentation using H-1B visas for “resident entrepreneurs” at universities, and clarify Optional Practical Training (OPT) and Curricular

Practical Training (CPT) opportunities to include entrepreneurship.

- Facilitate startup apprenticeships to increase exposure to entrepreneurship and encourage young workers to enter the labor force.

- **Collect and publish more data on entrepreneurship**

- A lack of reliable information about the diverse paths to entrepreneurial success leads to misconceptions and may discourage potential entrepreneurs from starting firms.
- Government data on pathways to entrepreneurship would remove some of the mystique surrounding business creation.
- Support the Census Bureau's new Annual Survey of Entrepreneurs, which will offer a wealth of information on business owners.

- **Resolve long-term federal budget challenges**

- Increases in mandatory spending are eating away at the federal budget, leaving fewer resources available for investment in the basic building blocks of entrepreneurship and innovation, like R&D.

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- **Adapt existing regulations for the new economy**
 - Eliminate outdated regulatory processes and adapt regulations to address the challenges facing entrepreneurial firms.
 - Provide regulators adequate resources to strike a balance between innovation and its effects.
- **Enhance the global exchange of ideas and resources**
 - Low barriers to the movement of knowledge between people and firms—both formally and informally—have historically been a fertile source of entrepreneurial activity.
 - Expand free trade between the United States and other countries to open new markets for American entrepreneurs and expose them to global competition that will strengthen innovation.
 - Consider entrepreneurship when negotiating international trade pacts.
- **Preserve entrepreneurial entry and competition by decreasing incumbent bias**
 - Many policies protect existing companies from entrepreneurial competition.
 - Examples of incumbent bias include stronger patent and copyright protections that may raise costs for entrepreneurs and limit the flow of ideas that drives innovation, and restrictive zoning regulations that preserve the position of incumbents and raise costs for entrants.

Highlights of the New Entrepreneurial Growth Agenda

More ideas, and research to support them, are explored deeply and broadly in eight sections of the New Entrepreneurial Growth Agenda. Here are summaries of each section.

Section 1, Technological Creation and Destruction.

Contributors share their visions of the future shaped by technological advance. A more networked society may offer more entrepreneurship opportunities, but it also may bring new risks and barriers to business creation.

Section 2, General Economic Trends. Contributors discuss current economic trends, possibilities for the future,

and a range of projections—from a forecast of secular stagnation to a more optimistic identification of growth opportunities. Not all contributors believe our society has the political will to make changes necessary for robust economic growth to occur.

Section 3, Entrepreneurship Trends and Measurement.

Contributors focus on the decline in startup activity and dynamism in the United States and internationally, the implications for job creation and innovation, and possible causes for the declines—from globalization to intrapreneurship—as well as the impact they may have.

Section 4, Technology, Its Implications, and Inequality.

Contributors consider income inequality, social mobility, political inequality, consumption inequality, and the causes and effects of each. Contributors offer different opinions on the need to expand the scale and scope of social service insurance in the United States.

Section 5, Skills. The effort to renew entrepreneurial growth is closely linked to education, skills, and human capital. Contributors discuss the need for an education system that prepares students to be entrepreneurs and innovators and how to close the skills gap for employers' changing demands.

Section 6, Cities. Contributors consider cities as a vehicle for entrepreneurial growth, articulating the divergent growth goals of different communities; the power of local government to affect economic growth—and the limits to that power; and the challenge inherent in applying lessons from one locality to another.

Section 7, Policy. In discussing the importance of policy to shape our future, the contributors address a range of potential policy reforms, from changes to occupational licensing, land use regulation, and unemployment insurance, to tax reform, immigration policy, and fiscal policy.

Section 8, Politics. The challenge policy and regulatory uncertainty poses to entrepreneurship is a common theme in essays throughout the volume. Here, contributors discuss the need to reform the political environment.

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