The Entrepreneurial Equation

We believe in the transformative power of education. Education = jobs = stronger economies = a better quality of life. So how does entrepreneurship factor in? Read on to learn how entrepreneurship adds up to big economic growth and educational demand.

Small business is big business

Companies with fewer than 50 employees make up more than 95% of all U.S. businesses.1

Entrepreneurship is an engine of economic growth

Young businesses, not small ones, contribute most to job growth, accounting for nearly all net new job creation and nearly 20% of gross job creation.2

Age trumps size

The myth of the young, American millionaire dropout

Despite the youthful image that the term “entrepreneur” may evoke, “peak age” for entrepreneurs is mid- to late-30s to early 40s.3

Most entrepreneurs are older than you think

Well-educated immigrants make big contributions to the American economy.

Between 2006 and 2012, immigrants started 33% of U.S. venture-backed companies that became publicly traded.4

Success may be American-made, but isn’t always American-born

92% of U.S.-born tech founders surveyed held at least a bachelor’s degree, nearly half in STEM disciplines.

Those with MBA degrees established companies faster (13 years) than others. Other master’s degree holders started companies faster than those with bachelor’s degrees (14.7 years to 16.7 years).5

Education pays

Cultivating human capital

Increased high school and college graduation rates lead to an increase in local startup rates and economy-driving entrepreneurial activity.6

Education is the best catalyst for driving entrepreneurship locally

Education’s impact on earnings is even bigger for entrepreneurs7

Education is an engine of economic growth

Every year of schooling can increase average income, moreso for entrepreneurs than for general employees, even after taking into account disparities between the groups.7

What’s the solution?

Entrepreneurship comes – a critical ingredient to a better quality of life. But it starts in schools and universities. We need to prepare our students to earn the knowledge they need to thrive in the emerging global economy and Standardized scoring model. So that they can make better decisions, set goals, innovate, and change the world.

4Sources: American Made 2.0: How Immigrant Entrepreneurs Continue to Contribute to the U.S. Economy, National Venture Capital Association, 2013
6Source: Beyond Metropolitan Startup Rates: Regional Factors Associated with Startup Growth, Ewing Marion Kauffman Foundation, 2014

Learn more about the importance of building entrepreneurial skills

1. Education pays: http://www.kauffman.org/research/education-
entrepreneurship-local/
2. Cultivating human capital: http://www.kauffman.org/research/education-
entrepreneurship-local/
3. What’s the solution?: http://www.kauffman.org/research/education-
entrepreneurship-local/