With recession spurring more business startups, states launch initiatives to help entrepreneurs

By Laura Tomaka
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Entrepreneurial activity and new business creation in the United States are at their highest points in 15 years. In order to help encourage this growth, state policymakers in the Midwest are looking for ways to better support these new enterprises.

During periods of slow economic growth and high unemployment, the number of new business startups tends to increase as more people seek self-employment. The current economic downturn is no exception: Entrepreneurial activity and new business creation in the United States are at their highest points in 15 years.

In order to help encourage this growth, state policymakers are looking for ways to better support these new enterprises.

New programs in Indiana and Nebraska have been designed to do just that by connecting new businesses to entrepreneurial assistance and capital.

The Indiana Economic Development Corporation, the state’s lead economic-development agency, launched the INVEST Indiana initiative, which is designed to attract financial resources and increase access to capital for entrepreneurs looking to start or expand high-growth companies. With INVEST, a statewide network of entrepreneurs, private-sector investors and regional stakeholders will be created. The network will help connect new business ventures to experienced entrepreneurs while also developing new sources of capital investment.

The initiative will use resources from Indiana’s 21st Century Research and Technology Fund, which provides financial support for new companies making the transition from general research and development to product development.

In addition to finding the capital needed to support entrepreneurial activity, providing potential and new entrepreneurs with the educational support needed to help run, grow and nurture a business is a key to long-term success.

Nebraska Republican Gov. Dave Heineman has announced a new partnership that will provide entrepreneurs with training, mentoring and business-development assistance. The Entrepreneur Acceleration System will be funded with $1 million from the state’s Department of Economic Development, the Gallup Organization, the Greater Omaha Chamber, and the University of Nebraska-
Lincoln’s Institute of Agriculture and Natural Resources.

The system will train and certify mentors, who will then be matched to early-stage entrepreneurs and established firms in key industries. The program already has 27 business and academic mentors in the process of certification, and the governor estimates that up to 400 businesses could be helped in the next two years.

Sen. Heath Mello says the new mentoring system should work well in conjunction with the Legislature’s efforts to develop a stronger entrepreneurial climate in Nebraska.

“The governor and Legislature have made it a priority to focus on the innovation economy in order to compete for the jobs of tomorrow,” says Mello, who served on a legislative task force studying these issues.

“Providing these high-growth businesses with both the mentoring and financial assistance they need to be competitive in our global economy is critical to the future of Nebraska’s economy.”

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