Entrepreneurial Future in Nebraska

Council of State Governments: Entrepreneurship Days in the Capitol
Dane Stangler, Kauffman Foundation
Lincoln, NE, April 2, 2014
Overview

• Small Business, New Business, Job Creation
• Entrepreneurship in Nebraska
• Programs and Policy
Nebraska, like the Nation: Lots of Small Businesses, Small Share of Employment

- Share of Firms
- Share of Employment

Source: US Census Bureau
Sources of Job Creation

- New companies
- Young companies
- Growing companies
- Big companies

• Turnover is good
Entrepreneurship in Nebraska

... Tracking National Trends Rebound?
Falling Entrepreneurship: Startups as % of Total Firms

Source: US Census Bureau
High-Growth Firms in Nebraska


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Post-Recession Rebound?
Startup Funding Deals in Nebraska

Source: Crunchbase
### Thumbtack Survey of Small Business Friendliness in Nebraska

<table>
<thead>
<tr>
<th>Category</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall friendliness</td>
<td>B</td>
</tr>
<tr>
<td>Ease of Starting a Business</td>
<td>D</td>
</tr>
<tr>
<td>Regulations</td>
<td>C-</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>A+</td>
</tr>
<tr>
<td>Employment, Labor, Hiring</td>
<td>A+</td>
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<tr>
<td>Tax code</td>
<td>A+</td>
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<tr>
<td>Licensing</td>
<td>A+</td>
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<tr>
<td>Environmental</td>
<td>A+</td>
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<tr>
<td>Zoning</td>
<td>A+</td>
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<tr>
<td>Training and Networking Programs</td>
<td>A+</td>
</tr>
</tbody>
</table>

Programs and Policy in Nebraska

Entrepreneurial Experimentation
Visible Policy
Dark Energy
Measurement
Entrepreneurship Experimentation in Nebraska
Visible Policy

- Fees
- Taxes
  - Labor v. income
- Licensing
- Processes
- State programs
- Incentives and credits
Invisible Policy: Dark Energy

- Effects of incentives
- Opportunity cost of state programs
- Availability of talent: human capital pipeline
- Non-compete agreements
- Rent-seeking and capture

- Signaling, openness
- Culture
Finally …

• By definition, it’s not an experiment if you don’t measure and collect data.