

Kauffman Foundation Research Series on City, Metro, and Regional Entrepreneurship

Guidelines for Local and State Governments to Promote Entrepreneurship



Version 1.0 | March 2015

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Introduction

Promoting entrepreneurship¹ has been a part of many city and state economic development strategies for at least two decades. These strategies have been largely informed by academic writing and, more recently, by the experience of successful entrepreneurs. With so much attention paid to entrepreneurship, one might expect entrepreneurship to be booming. Unfortunately, the opposite is largely true.

In the late 1970s, about 15 percent of all businesses in the United States were new; in 2011, that number hovered around 8 percent.² Even the high-powered technology industry has succumbed to this trend.³ Not only are there fewer new firms today than in the past, but those startups that do exist are creating fewer jobs.⁴ This decline in startup activity has occurred across the country. Firm entry rates were lower between 2009 and 2011 than they were between 1978 and 1980 in every state and Metropolitan Statistical Area except one.⁵

This all begs a question: if so much attention has been paid to promoting entrepreneurship, why is it trending downward?

The answer to that question is complex and certainly involves many factors, some of which are out of the control of state and local governments. But one area that deserves scrutiny is popular and widely tried economic development strategies to promote entrepreneurship.

While much has been written about entrepreneurship in the context of economic development, academic research has not kept pace with emerging practices. And, while many studies discuss what was done in the past, few say anything about what has worked or why it has worked.⁶ This guideline is written to address those gaps and communicate lessons learned at the Kauffman Foundation through our experience running entrepreneurship support programs, doing interviews, and interacting with experts across many fields. The paper synthesizes more than eighty peer-reviewed academic articles, books, practitioners' papers, and conference papers. Subsequent papers will address measurement and sources of entrepreneurship data, and the concept of entrepreneurial ecosystems.

In this paper, we begin with a critical overview of two of the most commonly used strategies to promote entrepreneurship: creating public venture funds and business incubators. We then explain that these strategies often neglect an essential principle: connectivity and learning by entrepreneurs. Next, we describe ways in which public venture funds and incubators can be reorganized based on the connectivity principle before concluding with several other recommendations for how cities and states can promote entrepreneurship and begin to see real results that transform economies and provide new opportunities to residents.



Avoid Investments and Incubators

Historically, local government efforts to foster entrepreneurship have relied on two tools: public venture funds and incubation centers. Both strategies are public efforts to meet entrepreneurs' perennial need for capital, always one of the primary challenges identified in studies of obstacles to entrepreneurship. Research demonstrates, however, that these strategies often are ineffective at promoting entrepreneurial activity. While policymakers looking to support the growth of young firms may see the market gap as an opportunity for the public sector, studies indicate that these efforts result in little to no benefit to the businesses or government.⁷

Eschew public venture funds. The challenges of operating a successful venture fund are not unique to the public sector. Even privately managed venture capital funds take on considerable risk and often fail. One study found that 80 percent of venture capital funds have generated an annual return of less than 3 percent, the standard rate of return for the public stock market.⁸ Selecting winners based on initial or early-stage business plans is a tremendous gamble, as half of all firms go bankrupt or exit within five years.⁹ And rapidly changing technologies and markets make this process even more difficult. The public sector often lacks the expertise to evaluate and support entrepreneurs. Consequently, these efforts are not the best use of public funds.

Steer clear of traditional incubators. Public incubation centers, too, are less than optimal uses of public dollars. The number and type of business incubators have grown dramatically over the last thirty years. Business accelerators have also recently emerged.¹⁰ The National Business Incubation Association (NBIA) estimated that the number of incubators grew from twelve in 1980 to more than 1,400 by the mid-2000s.¹¹

Like public venture funds, incubators are established in order to meet entrepreneurs' need for capital. The assumption is that providing office space and basic services will free up funds for entrepreneurs and allow them to focus on their core business functions. Office space and overhead, however, are hardly effective or vital functions, and this support will not necessarily lead to a surge in successful entrepreneurial ventures. Unless a startup requires capital-intensive equipment, such as nano-level precision machinery or a biotechnology laboratory, the incubator as a real estate facility model does not help entrepreneurs significantly, and may only serve to harbor businesses that would not otherwise survive.

Some incubators purport to go beyond office space, providing more diverse support services such as accounting and bookkeeping, legal and management advice, and intellectual property assistance.¹² The average incubator, however, is run by only 1.8 full-time managers and serves twenty-five client firms,¹³ making it nearly impossible for these incubators to fulfill their promises. Hannon (2003) concludes that an incubator manager would need to be, among other things, a computer expert, social worker, fundraiser, and rent collector in order to achieve these goals. It is unrealistic to expect organizations with such lean staffing to offer a wide range of services, all under the ubiquitous organizational and financial constraints these organizations typically face.

Research on the effectiveness of incubators is complicated by the confounding causal issues and problems in identifying control groups for comparison.¹⁴ There is, however, little evidence that incubator firms perform better than non-incubator firms. Of limited research with controlled groups, Amezcua (2010), for example, demonstrated that incubator firms experienced faster growth in employment and sales, but survived fewer years after graduation than non-incubator startups.



Implement a Bottom-Up and Connecting Approach

Foster connections and learning. Strategies anchored in investments and incubators have failed to foster entrepreneurship because the tactics are not suited to the experiential and collaborative process that characterizes entrepreneurship. Instead, there must be a long-term focus on entrepreneurs as individuals distinct from small businesses, who learn by doing and interacting with others. We suggest that policymakers seeking to promote entrepreneurship in their city or state embrace a new approach that puts entrepreneurs at the center, creating communities characterized by dense connections among entrepreneurs and organizations that support them. The graphic below illustrates this shift from the top-down strategy of incubators and venture funds to a more entrepreneur-centered approach in which government fosters connections and collaboration.

Research indicates that local connections are far more important to entrepreneurs' success than are national or global contacts¹⁵ because entrepreneurs in the same business environment are the best sources of specific information and knowledge for those starting new businesses and because

entrepreneurs need to interact and learn frequently and on an ad-hoc basis for their emerging challenges. While books and courses may inform continuous learning, there is no substitute for advice from local business owners as entrepreneurs navigate the complicated decisions they face at each stage of their businesses' development. Other entrepreneurs can offer the most effective advice that is specific to the new business's situation and locality.

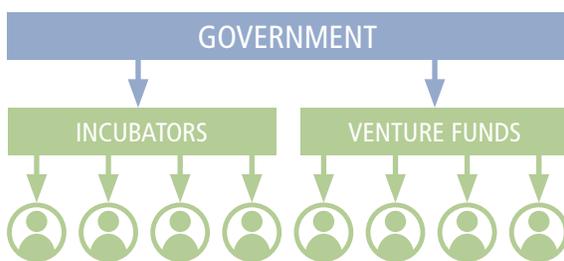
These connections, however, are not easy for entrepreneurs to make. They often find it difficult to find other entrepreneurs or meet investors in their regions, and investors have trouble identifying local entrepreneurs. The executive director of an entrepreneurship support organization in St. Louis offers insight into this challenge, particularly in cities that have relatively less entrepreneurial activity:

The typical problem I saw with entrepreneurs five years ago was like this:

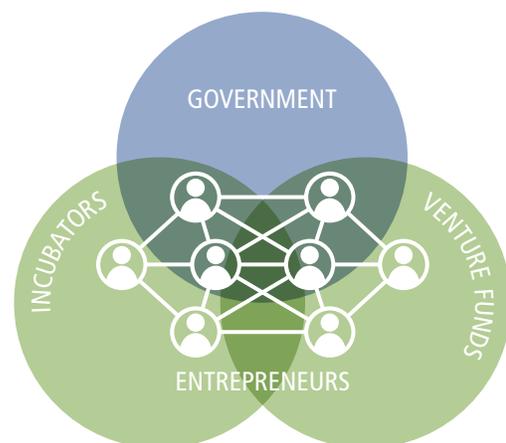
"I do this business alone, and I don't know other startups in town. I don't know investors here, and there is only old money from big corporations in St. Louis, so I go to Silicon Valley to find an investor."

Public Support of Entrepreneurship

Old Top-Down Strategy



New Entrepreneur-Centered Approach



Then, if you talked to investors, they would say, “I don’t find any startups in St. Louis, and, in fact, there may not be any prospective startups here, so I go to Silicon Valley to find companies to invest in.” So somehow, they might find each other in Silicon Valley, but not in St. Louis (Brasunas, interview December 10, 2012).

While some connections may be made on an ad-hoc basis, local governments can facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning and the formation of relationships, and offers opportunities for entrepreneurs to discuss their challenges candidly and receive feedback and advice from others.

Facilitate catalytic events. Events that bring entrepreneurs together to learn and connect go a long way toward creating vibrant entrepreneurship ecosystems and with minimal investment. For example, Startup Weekend is a catalytic event that has been hosted more than 1,068 times at 478 locations globally.¹⁶ Over the course of a single weekend, people attending Startup Weekend present business ideas, form teams, and develop products in order to pitch the newly created businesses to a group of experts and serial entrepreneurs. In addition to facilitating the formation of business plans, the events also connect potential entrepreneurs in the community who have ideas but do not yet know how to turn them into viable businesses to each other and to other potential founding team members, such as marketers, designers, software engineers, and product managers. Even if a team’s business dies on Sunday evening, the process of creating a business and the connections made can inspire future entrepreneurial endeavors. A significant number of these businesses have gone on to become profitable firms.

Similarly, 1 Million Cups (1MC) fosters connections and growth in local markets. 1MC is a weekly educational and networking program to enhance peer-

based learning between entrepreneurs and aspiring entrepreneurs. Each entrepreneur has six minutes to present a business, focusing on the challenges faced. The following twenty minutes are dedicated to questions and suggestions that allow the presenter to learn from the audience. As of December 1, 2014, sixty-seven cities are hosts to 1MC.¹⁷

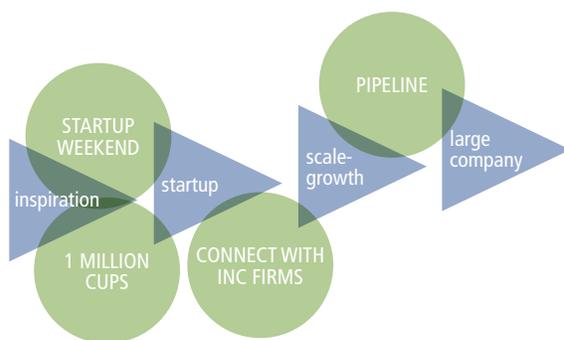
Many other formats exist or are yet to be created, of course, and the guidelines below may inform the development of these efforts:

- **Avoid creating a formal alliance** between the city government and various entrepreneurship organizations. These strict partnerships rarely have a real effect on entrepreneurs. In fact, networks of entrepreneurs in successful regions are seldom the result of government-led endeavors of any kind.¹⁸
- **Network can be formed without cash.** Substantial financial support often is not necessary to create thriving networks, and government over-involvement may actually harm or destroy existing, functioning networks.
- **Go beyond networking.** Inject a catalytic format. Rather than hosting receptions simply for the purpose of networking, incubators need to hold events with a common objective and content for participants that inspire interaction among them. For example, inviting a few entrepreneurs to discuss the current state of their businesses and the challenges they face can lead to discussion among participants regarding potential solutions. Outside speakers, such as successful local entrepreneurs, also may bring participants together, offer them an opportunity to interact, and facilitate learning for all participants. Simple networking events, such as cocktail parties, do not create an environment for meaningful learning.
- **Focus events on entrepreneurs’ stages of development.** Localities creating events to facilitate networking among entrepreneurs must consider the entrepreneurial phase they are targeting, as entrepreneurs find it useful to meet

others in the same developmental phase, as well as those who are further behind or ahead. It is useful to think of the entrepreneurial process as being composed of three distinct phases:

- **Inspiration:** potential entrepreneurs are searching for opportunities to start new companies by exploring business ideas and meeting cofounders.
- **Startup:** starting a company.
- **Scale-Growth:** scaling up an existing business, e.g., expanding annual revenue beyond \$1 million.

After establishing the horizontal connections between entrepreneurs at the same stage, it is important to identify and connect entrepreneurs in different stages. Both Startup Weekend and 1MC connect people largely in the inspiration and startup stages.¹⁹ Local governments can identify the entrepreneurial stage targeted by specific entrepreneurial programs, events, and support organizations, and direct entrepreneurs to those most appropriate for their stages of business development.



There are a number of local organizations that support entrepreneurship in different stages in each metropolitan area, even those not typically associated with entrepreneurship. The lists of entrepreneur support groups below are presented by phase of development, illustrating the wide range of offerings in Seattle, Washington, and Des Moines, Iowa, both cities that are well outside of and very different from Silicon Valley.²⁰

Selected Entrepreneur Support Groups in Seattle, Washington

INSPIRATION

- DECA
- Ignite Seattle
- GeekWire
- TechFoam
- TechCafe
- UW Entrepreneur Week
- Startup Drinks
- Startup Weekend

STARTUP

- Lean Startup
- Mobile Hackathon
- Biznik
- Alliance of Angels
- TechStars
- Zino Society
- Lighter Capital

SCALE-GROWTH

- Founders Co-op
- Seattle 2.0 Awards
- Social Media Club Seattle
- Entrepreneurs' Organization
- Young Presidents' Organization

Source: Based on Startup Foundation's Seattle Entrepreneur's Path

Selected Entrepreneur Support Groups in Des Moines, Iowa

INSPIRATION

- Barcamp Des Moines
- Ignite Des Moines
- Dream Big, Grow Here
- Startup Storm
- Des Moines Startup Drinks
- Silicon Prairie News Meetups
- TechBrew-Ames
- Ames IT Collaborative

STARTUP

- BIZCI
- DeMo
- Foundry Coworking
- Venture Net Iowa
- Design+Tech
- Pitch & Growth

SCALE-GROWTH

- BIZ Luncheon Seminars
- Thinc Iowa
- Capital Connection Iowa
- Entrepreneurs' Organization
- Young Presidents' Organization

Source: Based on Startup Foundation Des Moines's Startup Ecosystem Map

Reinvent existing public venture funds. Despite the research discouraging local governments from implementing public venture funds, many exist. As it may not be feasible to discontinue these efforts immediately, the guidelines below may be used to improve the performance of public venture funds and ensure that they serve a wider purpose more successfully.

- **Distribute multiple small investments** in order to facilitate connections and learning for entrepreneurs in the community. Multiple small investments instead of one large investment will create a cohort of entrepreneurs who can network and learn from each other and who can be integrated with local organizations that provide entrepreneurial support.
- **Involve local entrepreneurs in award selection.** Ask local entrepreneurs—rather than executives, business development managers, or elected officials—to lead the process of selecting

companies that receive funding, and offer them the opportunity to serve as mentors to those selected. Executives or business development managers of large corporations are not as familiar with the unique circumstances of new businesses; starting a new venture is often very different from running a large business division or a company.

- **Hire managers** with extensive networks and contacts at entrepreneurial support organizations so that they can help address many of the challenges entrepreneurs encounter. Managers also should be highly skilled professionals with prior experience in the private sector, ideally as entrepreneurs or employees at startup enterprises. These experiences ensure they have the knowledge to understand and identify the problems entrepreneurs face and effectively assist or connect them to mentors or organizations that may be helpful.
- **Create an effective board of directors** for the public venture fund who monitor the financial performance of invested firms and the fund itself, in addition to screening investment decisions to ensure fairness. This separation of powers may allow the fund to avoid the pitfalls of political influence.
- **Establish reasonable expectations for timeframe.** Conventional venture capital firms expect to exit in two or three years. If a public venture fund invests in earlier-stage companies than typical venture capital firms do, a longer period will be necessary before the evaluation. Policymakers should not see this investment with short-term results—or any results before the next election.
- **Collect data about the companies receiving funds.** Define clear criteria for success and communicate these criteria to all stakeholders. Criteria may include sustainability of the firm, sales growth, profitability, successful mergers, and IPOs. The number of firms invested and the number of jobs created are insufficient metrics because they do not address the effectiveness of investments.

- **Integrate the recipient companies into the local ecosystem.** Receiving the venture fund hardly starts the road for success by startups, and support by other stakeholders in the region will still be essential. If possible, arrange recipient companies to locate at local incubators. If possible, co-locate all the local support services with the recipient companies.

Reorganize existing incubators. Existing incubators, like public venture funds, may be reconceived to connect entrepreneurs and enhance peer learning. A holistic system that integrates incubator employees, mentors, and peer entrepreneurs will facilitate the development of clients and allow them to acquire the skills, knowledge, and support they need. The suggestions below, partly drawn from Lichtenstein and Lyons (2001, 2006, 2010) offer some guidelines for improving existing incubator programs.

- **Create a catalytic environment** that facilitates interactions among peer entrepreneurs. Incubators should be more than offices; they should provide a shared space where entrepreneurs gather and interact continually and in which regularly hosted events catalyze collaboration. Like reorganized public venture funds, incubators can offer entrepreneurs the peer support they need for the lonely, emotional, and challenging entrepreneurial process.
- **Become a referral point.** There can be a wide range of services that an incubator can potentially provide, such as business plan development; marketing and financial analysis; accounting and legal services; technology development; administrative support; and business presentation (pitch) training. However, the staff at the incubator do not need to cover all of these. As with public venture funds, some staff should have a substantial background in the private sector and, ideally, past experience as entrepreneurs. More importantly, the staff should have wide networks or the ability to cultivate such referral networks to refer client firms to the individuals and organizations with the sought after expertise.

- **Match each entrepreneur with an experienced local entrepreneur mentor** whose expertise complements the nascent entrepreneur's interests. Previous research indicates that many successful entrepreneurs benefited from the help of mentors as they started their businesses, and many of them are willing to give back by helping newer entrepreneurs.²¹ The entrepreneur and mentor should meet regularly (for example, once a month) to discuss problems, potential solutions, and the business's overall progress. Mentors typically serve on a voluntary basis; consultants or other professional service providers should be avoided, as they have inherent financial motivations related to their own businesses. Cultivating lists of successful, local entrepreneurs who are willing to serve as mentors is an important role for incubator staff.
- **Use mentors to supplement an incubator's lean staffing.** As incubator employees may not be able to follow each startup's day-to-day activities or be able to provide timely solutions for the challenges of all entrepreneurs, mentors serve as an additional resource for entrepreneurs in addressing problems and for the incubator employees as they serve the wide range of companies they work with and assess entrepreneurial progress for each one. Furthermore, the advisory relationship with a third person, outside of the direct incubator-client relationship, can further expand the entrepreneur's access to expertise.

Identify and celebrate successful local entrepreneurs. The broad effort to create local entrepreneurial communities characterized by dense connections among entrepreneurs and organizations that support them requires a comprehensive understanding of who the local entrepreneurs are and where they work. In some communities, entrepreneurs, especially those in the early phases of starting companies, may not be easy to identify. The

suggestions below allow local governments to find the entrepreneurs in their communities in order to nurture an entrepreneurial ecosystem.

- **Consult the Inc. 5000 list** of America's fast-growing companies to identify successful entrepreneurs in the area. Each year, *Inc.* magazine publishes a list of fast-growing privately held companies in the United States. These companies span all industries and are located in every state of the country.
- **Monitor local business newspapers** to learn about successful exits or mergers and acquisitions of local companies.
- **Contact local high schools and colleges**, especially private schools, as they may maintain lists of alumni and track those who have become successful entrepreneurs.
- **Offer community events and forums** that engage entrepreneurs.
- **Host an awards ceremony** to celebrate accomplished or emerging local entrepreneurs. These awards are not an end in themselves, but a means to establish ongoing relationships between successful entrepreneurs, new business owners, and potential entrepreneurs. Awards may be divided into subgroups by industry, age group (e.g., high school, junior entrepreneurs, or senior entrepreneurs), or gender.²² The selection process should incorporate successful, local entrepreneurs so that the award ceremony also serves as a networking opportunity for attendees. While the participation of high-level political figures, such as mayors, in the awards ceremony will bring greater attention and prestige to the award, these politicians should not be part of the selection process and must not take the spotlight from the entrepreneurs at the center of the stage.



Revisit the Regulatory Environment²³

Beyond the specific measures localities may enact to promote entrepreneurship, it is important to understand that the regulations and amenities in the local environment, more generally, can have a tremendous influence on starting businesses and allowing them to be successful. The suggestions below are only a few of the arenas that have an impact on entrepreneurship, offering policymakers a place to start when they consider improvements to their region.

Reexamine professional and occupational licensing. Nearly one-third of American workers are required to have a government-issued license to do their jobs. Occupational licensing can act as a barrier to entrepreneurs seeking to bring new innovations and business models to market. While licensing is meant to ensure quality, other policy options exist that protect public health and safety, while fostering competition and new-business creation.²⁴

Simplify tax codes and payment systems. Taxes matter, but what entrepreneurs are most concerned about is tax complexity.²⁵ Simplifying tax codes and payment systems so they are easier to understand will relieve what many entrepreneurs feel is a burden on them and their businesses. For instance, different sales tax rates by different cities and counties, and different rules about taxing within the metropolitan area are frequently cited as barriers by entrepreneurs.

Rethink non-compete agreements. Many entrepreneurs have prior industry experience that they leverage to create new companies. Yet, if potential entrepreneurs are restricted by employee non-compete agreements, their ability to start companies will be hindered. The barriers erected by non-compete agreements can be mitigated by changes to state law governing these employment arrangements.²⁶

Streamline zoning approval processes and offer clear guidelines. Land-use and zoning regulations are consistently reported as significant

concerns of entrepreneurs.²⁷ Surveys consistently find that business owners identified zoning, land use, or run-off as the type of rules that create the greatest difficulty for them, a greater percentage than regulations related to environmental or hazardous materials.²⁸ This concern is likely significant because about half of all entrepreneurs start their firms within their own homes, while only 40 percent rent or lease space.²⁹

Blanket deregulation in zoning is hardly the answer, however. Regardless of the purpose of the zoning, whether it be exclusionary, anti-growth, or environmental,³⁰ this decision should ultimately be made by local residents. One immediate action cities can take is to establish transparent criteria for zoning approvals and to institute quick decision-making processes by local boards. Both are crucial to startups, especially those in the earliest stages. Cumbersome and long decision-making processes can function as a de facto denial and are detrimental to entrepreneurs who have business ideas, operating cash, and customers, but must wait months to find out where they can locate their businesses.

Welcome immigrants. Immigrants have been nearly twice as likely as native-born Americans to start businesses.³¹ Initially, this activity was thought to be limited to low-skill and low-entry sectors, such as grocery shops, restaurants, and the provision of basic services. More recent studies, however, indicate that immigrants also are more entrepreneurial in high-skill, high-tech sectors.³² Indeed, 52 percent of key founders of high-tech firms in Silicon Valley were immigrants.³³ While the federal government is responsible for larger immigration policy issues such as visas and citizenship, local governments can create a welcome environment for all immigrants and embrace ethnic diversity in order to attract job-creating immigrant entrepreneurs. Immigrants are increasingly settling in cities and neighborhoods outside large port cities like New York, Los Angeles, and

San Francisco that traditionally functioned as gateway cities. Since the 1990s, immigrants increasingly have settled directly into suburbs, smaller metropolitan areas, and even rural towns.³⁴

Set goals and track your progress. Doing is hardly enough, and you need to see how well you

are doing. Please refer to our measurement paper, *Measuring an Entrepreneurial Ecosystem*. In addition to the standard measure of the number of startups and investment, we offer guidance on measuring entrepreneurship-related data from the perspectives of density, velocity, connectivity, and diversity.



Concluding Remarks

With all of these strategies, it is critical for the public sector and high-level decision makers to commit for the long term. If local governments wish to encourage entrepreneurship, it requires that those officials connect to entrepreneurs at the individual level and to entrepreneurs' networks at the local level, a lengthy and time-intensive process. Entrepreneurial networks of Indians and Chinese in Silicon Valley were not built overnight, but took as many as ten to fifteen years to develop effective

connections.³⁵ Similarly, it took more than ten years after the governor's initiative for North Carolina's Research Triangle Park to develop well-functioning networks.³⁶ Such timelines often conflict with those sought by politicians seeking tangible economic results within twenty-four months or less.³⁷ Nevertheless, if promoting entrepreneurship is the primary objective of a local government, it should commit to a strategic vision for at least ten years.



Endnotes

- 1 Throughout this guideline, we define entrepreneurs as those who start their own businesses and create something new or different that changes or transmutes values. Entrepreneurship is an act of establishing and expanding the business. In this sense, entrepreneurs are in the minority among new businesses, and we follow the framework of entrepreneurship provided by Drucker (1985) and of innovation provided by Schumpeter (1926).
- 2 Casselman (2015).
- 3 Haltiwanger, Hathaway, and Miranda (2014).
- 4 Reedy and Litan (2011).
- 5 Hathaway and Litan (2014).
- 6 OECD (2003); Lundstrom and Stevenson (2005).
- 7 For example, Cumming (2007) found that a government-supported VC program was able to channel more funds to early-stage firms than conventional VCs could; however, those firms failed to perform as well as firms that received private VC investments. For further evidence, see Bygrave and Quill (2006), Jaaskelainen et al. (2007), Cumming and Johan (2009), Lerner (2009).
- 8 Bradley et al. (2012).
- 9 SBA (2012).
- 10 See, for example, Konczal (2012) and MaRS Data Catalyst (2013) for the differences between accelerators and incubators, and the number of them.
- 11 Knopp (2007).
- 12 Lewis (2007).
- 13 This is an increase from an average of twelve to fourteen firms per incubation center in the 1990s (Hernandez-Gantes et al. 1995; Hayhow 1996). The historical survey by NBIA also demonstrates the similar increasing pattern (Knopp 2007).
- 14 Bearse (1998); Evers et al. (2001); Hackett and Dilts (2004).
- 15 See, for example, Motoyama et al. (2014) for the importance of local connections of entrepreneurs over national or global connections via the analysis of Twitter.
- 16 Nager, Nelsen, Nourigat (2011).
- 17 Kauffman Labs (2014).
- 18 Neergaard and Ulhoi (2006).
- 19 Konczal and Motoyama (2013).
- 20 Feld (2012) offers another example in his discussion of Boulder, Colorado. Feld is an active entrepreneur, investor, mentor, and entrepreneurial community organizer.
- 21 Motoyama et al. (2013).
- 22 OECD (2003).
- 23 For each of these suggestions, we have provided a series of digest versions in our Entrepreneurship Policy Digests. Please refer to: <http://www.kauffman.org/what-we-do/resources/entrepreneurship-policy-digest>.
- 24 Kauffman Entrepreneurship Policy Digest, Occupational Licensing: A Barrier to Growth.
- 25 Motoyama and Maxwell (2012); Motoyama and Hui (2013).
- 26 Kauffman Entrepreneurship Policy Digest, Rethinking Non-Competes: Unlock Talent to Seed Growth; Stuart and Sorenson (2003); Samila and Sorenson (2009).
- 27 See, for instance, thumbtack's Small Business Friendliness Survey. <http://www.thumbtack.com/survey#/2014/1/states>.
- 28 Dennis (2001); thumbtack.com (2013).
- 29 Kauffman Foundation (2008).
- 30 Garnett (2011).
- 31 Fairlie (2014).
- 32 Saxenian (1999, 2006).
- 33 Wadhwa et al. (2007).
- 34 Frey (1998); Singer et al. (2008); Marrow (2011).
- 35 Saxenian (1999, 2006).
- 36 Link and Scott (2003); Gilbert et al. (2004).
- 37 Eisinger (1995).



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