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The State of Entrepreneurship

Column from State Senator Dan Kapanke (32nd District) – February 5, 2010

One positive result of a recession is that it often creates an incentive for unemployed workers to opt out of the labor pool and start their own businesses. Start-up activity rose to a four-year high in 2009, according to the latest Challenger Job Market Index with the percentage of unemployed workers choosing to launch their own business at an average of 8.6 percent. If entrepreneurship is the key to sustainable economic recovery, then it is vital to know how entrepreneurs view our economy and what tools they need for the future.

According to the Kauffman Foundation of Entrepreneurship's recent poll on the state of entrepreneurship:

- 61 percent of entrepreneurs say that the economy is on the wrong track
- 42 percent indicated that the economic problem facing the country that they are most worried about is the ability to generate jobs followed by concern of the deficit
- 71 percent of entrepreneurs do not expect to create jobs in 2010

The poll also found that entrepreneurs overwhelmingly agree that needed job creation policies are:

- Research & Development Tax Credits
- Eliminating payroll taxes
- Expanding lending credit
- Temporary tax breaks for hiring
- Aid to states to reduce layoffs

This is the same message I've been hearing from entrepreneurs in my district. They are worried about their future economic prospects, reluctant to hire as their businesses shrink and would like to see less red tape.

Forbes Magazine ranks Wisconsin as the 48th worst state in the nation to do business. CEO Magazine ranks Wisconsin's job and business growth as 43rd among states. And the Wisconsin Taxpayer Alliance reported that Wisconsin will have the 9th heaviest tax burden in 2010. Clearly, leaders in Madison need to take a good hard look at these standings and realize that in order for entrepreneurs to succeed, they need an environment that is conducive to growth and innovation not an environment that discourages entrepreneurship with excessive regulation and taxes.

During his State of Entrepreneurship Address, Carl Schramm, CEO and President of the Kauffman Foundation, said "Every company started out small. They all begin with one person and one idea."

I know first-hand the ups and downs of starting up a business. But I also know the incredible satisfaction that comes with seeing an idea become a successful venture. My responsibility as a representative for the people of the 32nd District is to encourage all of you to let your ideas take root and become successful by creating an environment where you are able to do so!

Entrepreneurs are still the primary engine of job creation in the United States. Their determination, resiliency and spirit of innovation are quintessentially American and they *are* the ones that will create long-term economic stability. I don't want our entrepreneurs in Wisconsin sitting on the side. We need them in the game. Let's make Wisconsin the state that entrepreneurs view as the most ideal place to pursue their ideas and innovations.

Wisconsin has a great environment for economic growth – an excellent education system, sound infrastructure, abundant natural resources and an incredible work ethic. Let's take advantage of all of these benefits Wisconsin has to offer and actively encourage entrepreneurs to pursue their endeavors right here in the Badger State.