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Nevada Ties With Georgia For Highest 2010 Entrepreneurial Activity

By [Sean Whaley](#) | 7:22 am March 16th, 2011

CARSON CITY – Nevada and Georgia tied as the two states with the highest entrepreneurial activity rates in the country, according to the “[Kauffman Index of Entrepreneurial Activity](#),” a leading indicator of new business creation in the United States.

The annual index shows that Nevada and Georgia both had 510 per 100,000 adults creating businesses each month. They were followed by California at 470 per 100,000, Louisiana at 460 and Colorado at 450.

Nevada is struggling to emerge from a historic economic downturn. The state leads the nation in unemployment and home foreclosures.

Gov. Brian Sandoval has made job creation a top priority to help grow Nevada out of its economic funk. State lawmakers are working on their own job creation initiatives as well.

Published earlier this month, the Kauffman Index also shows that, while the 2010 start-up rate remains the highest in 15 years, lack of other options may have driven founders to start sole proprietorships rather than more costly employer firms.

Considered to be a leading indicator of new business creation in the U.S., the index shows that 0.34 percent of American adults created a business per month in 2010, or 565,000 new businesses, a rate that remained consistent with 2009 and represents the highest level of entrepreneurship over the past decade and a half. In contrast, however, the quarterly employer firm rate has dropped from 0.13 percent in 2007 to 0.10 percent in 2010.

“Since it began, the recession has triggered annual declines in the rate of employer enterprise births,” said [Carl Schramm](#), president and CEO of the Kauffman Foundation. “Far too many founders are choosing jobless entrepreneurship, preferring to remain self-employed or to avoid assuming the

economic responsibility of hiring employees. This trend, if it continues, could have both short- and long-term impacts on economic growth and job creation.”



Carl Schramm, president
and CEO of the
Kauffman Foundation

Capturing new business owners in their first month of significant business activity, the Kauffman Index of Entrepreneurial Activity provides the earliest documentation of new-business development across the country.

“Regional patterns have a significant effect on entrepreneurial activity rates,” said Robert W. Fairlie, the study’s author and director of the masters program in applied economics and finance at the University of California, Santa Cruz. “From 2009 to 2010, entrepreneurial activity rates increased in the West, further widening the gap between the West and other regions. Rates in the South remained steady, but declined in the Northeast and Midwest.”

The percentage of the adult, non-business-owner population that starts a business each month is measured using data from the monthly Current Population Survey (CPS), conducted by the U.S. Bureau of the Census and the Bureau of Labor Statistics.

The Kauffman Foundation, based in Kansas City, Missouri, describes [itself](#) as the world’s largest foundation devoted to entrepreneurship.



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