

ENTREPRENEURSHIP

Boosting California's Economy

Introduction

Entrepreneurship is an important component to growing California's economy. It is one of the more impacting economic drivers, as it is responsible for creating new businesses, jobs and greater investments. Because many entrepreneurs are motivated by solving problems, they also improve quality of life.



Credit: GE

California has done well for itself in the area of entrepreneurship. As indicated by the chart below, California has achieved relatively positive rankings when it comes to entrepreneurship.

ORGANIZATION	CATEGORY	CA RANK	YEAR
U.S. Chamber of Commerce	Innovation & Entrepreneurship	22 nd	2013
Kauffman Index	Innovation	7 th	2013
CNBC	Technology & Innovation	3 rd	2012
Forbes	Entrepreneurship	2 nd	2011

Economic Impact

Entrepreneurial growth has a substantially positive impact on the economy. By creating new businesses, entrepreneurs create jobs. In addition, the investment in a new business can spur economic activity on several fronts. More startups lead to increased competition, which in-turn improves productivity. The creation of new businesses and jobs also means more taxable revenue for the State of California.

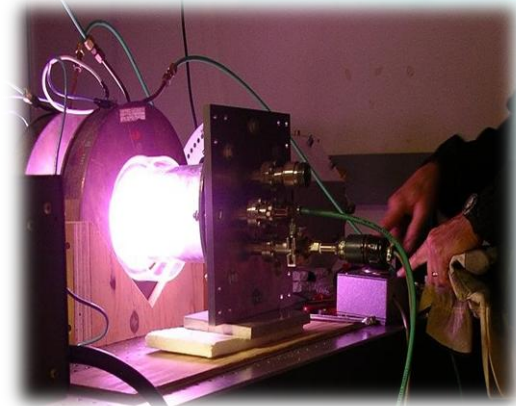
More entrepreneurs will inevitably lead to the growth of manufacturing, a major economic driver. Manufacturing has a high job multiplier effect, particularly if that manufacturing is of a high-tech nature. It is an important component for economic stability and robustness.

SECTOR	JOB MULTIPLIER NUMBER
Business Services	1.63
Transportation	1.66
General Manufacturing	2.5
Electronic Computer Manufacturing	16.0

Recommendations

There are several actions that could be taken to increase entrepreneurial efforts in California, which would result in an improved economic future.

Entrepreneurship Modules – Developing an entrepreneurship module that can be disseminated to various educational levels would increase the pool of potential entrepreneurs. By disseminating modules to community colleges, K-12 schools, non-profits and local community groups, California would be encouraging more to pursue entrepreneurship.



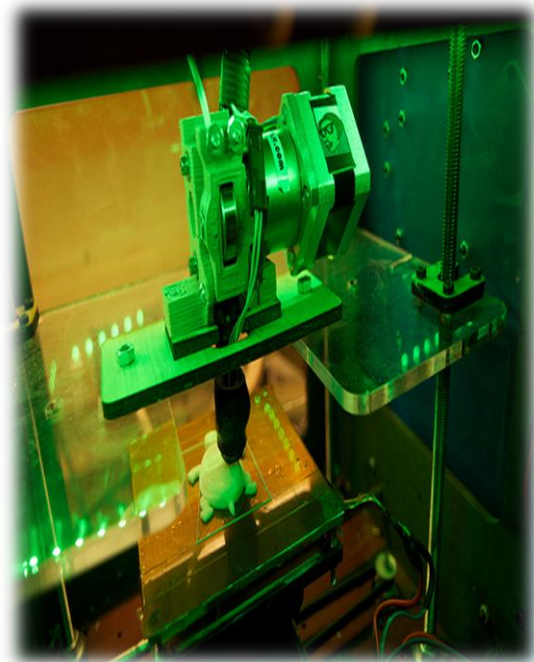
Credit: Stanford

3D Printers – 3D printers can provide rapid, inexpensive prototyping for anyone looking to develop a new product. They're relatively simple to use, making these printers highly functional for most of the population. By increasing 3D printer access, the pool of potential entrepreneurs becomes exponential. Getting 3D printers into more universities, community colleges, K-12 schools, libraries and community centers would go a long way in bolstering California's future.

Entrepreneurship Degrees/Certificate/Courses – While more than half of all community colleges offer entrepreneurship degrees, certificates and/or courses, many lack a single course. Ensuring that every community college has at least one course in entrepreneurship would extend opportunity to all areas of California.

Technology Transfer – Providing greater opportunities for entrepreneurs to access newly-developed technologies (being developed out of the UC/CSU and National Laboratories) would be highly advantageous. Assisting entrepreneurs with the informing/adopting of new technologies would lead to greater innovation, improved productivity, and in-turn, economic output.

Permitting Process – Simplifying the permitting process for starting a business would encourage more entrepreneurship. Fewer barriers create greater incentives for people to take the risk of starting an entrepreneurial endeavor.



Credit: kakissel/flickr