

# Entrepreneurship

## Why not me?

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# Basic Definitions

- What is Entrepreneurship?
  - Bearing Risk of Running a Business
  - The creation of wealth.
  - This wealth is created by individuals who assume the major risks in terms of equity, time and career commitment of providing value for some product or service
- Who is an Entrepreneur ?
  - A person who takes the risk of converting innovative ideas into profitable realities



# Requirements To Be An Entrepreneur

- Creativity
- Risk Taking
- Communication Skills
- Organization



# Entrepreneurship Is A Widespread Activity In The United States

## Kauffman

- Participation is more common than imagined
- About 6.2 in every 100 U.S. adults 18 years and older are engaged in trying to start new firms
  - Blacks are about 50 percent more likely to engage in start-up activities than whites.
  - Hispanic men are about 20 percent more likely than white men to be involved with a start-up, but the difference isn't statistically significant.
  - Hispanic men are about equally as likely to attempt to start a business as white women, but they are less likely to be participating in start-up activities than black women.
- Education significantly predicts nascent entrepreneurship, particularly for blacks and Hispanics.
  - Approximately 26 of every 100 black men and 20 of every 100 Hispanic men with graduate education experience report efforts to start a new business.
  - This compares to 10 of every 100 white men with graduate education experience.



# Entrepreneurship Is A Widespread Activity In The United States

- Where people live affects entrepreneurial activity.
  - Urban context, a county-level measure of certain economic, demographic and educational factors, is associated with prevalence rates of nascent entrepreneurs.
  - Prevalence rates are higher in more urban areas.
- The impact of urban context varies for whites, blacks and Hispanics.
  - For white and black men and women, the tendency to initiate start-up efforts is greatest among those living in more urban contexts.
  - But for Hispanic men and women, the highest levels of activity are among those in the least urban contexts.



# Entrepreneurship Is A Widespread Activity In The United States

- Venture capital investing in minority enterprises is very profitable.
  - An analysis of 24 venture capital funds making 117 minority-oriented investments found the average investment per firm was \$562,400;
  - the average gross yield per firm was \$1,623,900 generating an average net return of \$1,061,500.
- Venture capital funds that focus their investment in minority enterprises **do not concentrate heavily in high tech firms**
- **Lets start a new trend!!!**

