

PORTLAND REGIONAL ASSETS:

A Periodic Newsletter Highlighting Portland's Strategic Strengths and Challenges
Summer 2005

Welcome

Welcome to the second edition of Portland Regional Assets! We've designed this newsletter in conjunction with The Portland Regional Partners for Business as a service to those working to improve the economic conditions in the Portland Vancouver Metropolitan region.

This newsletter focuses on strategic regional economic issues. Each edition of the newsletter examines a different factor affecting the competition for talent, innovation, and capital and presents information about how the region compares with its competitor regions.

The Regional Partners have identified 13 areas as key competitor regions, as shown on the map: Albuquerque; Austin; Boise; Denver; East Bay area, CA; Las Vegas; Minneapolis-St. Paul; Phoenix; Sacramento; Salt Lake City; San Diego; Seattle; Upstate New York.



These areas compete with the Portland-Vancouver region for jobs, investment and talent. The aim of the newsletter is to understand how our region compares with these regions in key competitive areas; to make our readers aware of changes that may affect our competitiveness relative to these regions; and to present research that speaks to the effectiveness of alternative competitive strategies.

This Issue: Entrepreneurship

This issue focuses on entrepreneurship. After an introduction to this topic as a strategic issue, we present a summary of indicators of this region's entrepreneurship assets compared with our competitor regions. Following the indicator summary, we offer news items related to entrepreneurship strategy from our competitor regions and from home. Finally, we present a list of recent research about entrepreneurship-based economic development strategy.

Entrepreneurship is a key component of a healthy economy. Entrepreneurs transform their dreams, ideas, and knowledge into new enterprises that employ a region's citizens and add diversity to its economy. Acs and Armington (2005) have shown that higher rates of entrepreneurial activity are strongly associated with faster growth of local economies. Entrepreneurs provide the know-how and energy and take the risks required to turn technical and market knowledge into economic knowledge. But entrepreneurs cannot thrive without business

infrastructure, capital, educated employees and advisors, a positive business environment, and personal networks. Not surprisingly, communities all over the world seek to implement policies that encourage the formation and growth of new enterprises.

In this newsletter, we will examine indicators of entrepreneurship that include firm birth and death rates, venture funding for seed, start-up and early stage companies, and entrepreneurship education. Preparing the indicators for this issue was challenging. Because of our desire to keep the indicators simple, we used secondary data sources and have cited these sources throughout this document. Some of the data relevant to the degree to which the region is entrepreneurial is available only at the state level. Some data are that are available at the metropolitan level has not been updated for some time. Furthermore, the definition of metropolitan area is not always consistent among data sources.

We invite you to provide feedback on the content and structure of the newsletter. Please email us with your comments at ims@pdx.edu. You will be able to find archived editions of this newsletter at: <http://www.upa.pdx.edu/IMS/publications/regionalassets.htm>

Enjoy!

Sheila A. Martin, IMS Director

Entrepreneurship Indicators

One of the most widely cited measures of entrepreneurial activity among nations is the Total Entrepreneurial Activity (TEA) index collected and reported by the Global Entrepreneurship Monitor (GEM) project. The TEA index estimates the percentage of the adult population involved in either starting or managing a new business. According to the Global Entrepreneurship Monitor's 2003 National Entrepreneurship Assessment: United States of America (See box), the United States had a TEA rate in 2003 of 11.9 percent, ranking seventh of 31 countries. The only countries ranked higher were Brazil, New Zealand, Chile, Argentina, Venezuela, and Uganda.

The GEM also studies the conditions within these countries that affect entrepreneurship. Over the years, the United States has consistently scored very high on GEM's cultural and social norm index, which measures the entrepreneurial orientation of a country. According to the GEM study, The United States, in comparison with other countries, embraces the pursuit of opportunity and accepts risk. The United States also outranks many other countries in terms of key entrepreneurial conditions such as financial support, education and training, market openness, and R & D transfers.

New Firm Formation

Unfortunately, the TEA has not, to our knowledge, been calculated for regions or states within the United States. At the regional level, most analysts consider the rate of new firm births a reliable indicator of business start-up activity in a region. The number of deaths is sometimes added to this number to measure business "churn." To account for the growth impact of new firms, some analysts also consider the percentage of workers new businesses employ and the speed of their growth to develop a more accurate assessment of entrepreneurship and its contributions to a regional economy.

The Global Entrepreneurship Monitor

The Global Entrepreneurship Monitor (GEM) is a long-term project developed jointly by Babson College and London Business School with the sponsorship of the Ewing Marion Kauffman Foundation. The GEM project began in 1999 with ten countries, and now involves more than 40 countries. The objective of the GEM project is to answer three key questions about entrepreneurship around the world:

1. Does the level of entrepreneurial activity vary between countries, and, if so, by how much?
2. Are differences in entrepreneurial activity associated with national economic growth?
3. What national characteristics are related to differences in entrepreneurial activity?

The GEM reports and additional information about the GEM project can be found at: <http://gemconsortium.org>

A study released in April 2005 by the Small Business Administration developed a Regional Entrepreneurship Index (REI) to assess the dynamic nature of entrepreneurship within a region. The index combines three measures: the number of new firm births for every 1,000 people in the labor force; growth in the number of new firm births; and the proportion of young firms that are growing (this is defined as the percentage of new firms launched in 1991 that had grown to more than five employees by 1996). The authors calculated annual averages of these measures for each year from 1990 to 2001, normalized them so that they range from 100 (most entrepreneurial) to 0 (least entrepreneurial) then took a simple average of these three indices. The authors calculated the REI for 394 regions, including the six-county Portland-Vancouver region.

As shown in Table 1, the Portland-Vancouver region earned a relatively high ranking in comparison to all regions (91.8%), but fell roughly in the middle of its competitor regions.

The REI index demonstrates very little variation among Portland's competitor regions. To get a closer look at how the Portland region compares to its competitor regions, Table 2 separates the REI into its components. The Portland region ranks near the middle in each of these measures; however, its performance appears better on average annual new firm births than on the other measures. Portland's relatively poor performance in the second measure reflects relative stability in the rate of new firm formation rate compared to regions with greater volatility. Note that the last component of the index, percent of firms growing, is very limited in that it considers only firms that were formed in 1991.

Metropolitan Region	REI
Las Vegas, NV	99.7
Salt Lake City, UT	97.9
Boise, ID	97.4
Phoenix, AZ	95.1
Seattle, WA	82.6
Denver, CO	93.6
Austin, TX	92.6
Portland, OR	91.8
San Francisco, CA	90.3
Minneapolis, MN	89.8
San Diego, CA	89.3
Albuquerque, NM	62.5
Sacramento, CA	49.1
Albany, NY	2.5

Table 1. Regional Entrepreneurship Index.
 Source: Camp, Michael S. 2005. The Innovation Entrepreneurship Nexus. April.

<http://www.sba.gov/advo/research/rs256tot.pdf>

Region	Average Annual New Firm Births per 1,000 Labor Force (1990-2001)		Average Annual Change in New Firm Births (1990-2001)%		Percent of New Firms Growing (1991-1996)%	
	Score	Rank	Score	Rank	Score	Rank
Las Vegas, NV	4.776	1	5.229	1	6.521	4
Denver, CO	4.508	2	0.853	9	6.238	6
Boise City, ID	4.264	3	3.385	3	6.181	7
Salt Lake City, UT	4.225	4	3.843	2	6.913	3
Seattle, WA	4.111	5	0.171	11	4.799	10
Portland, OR	4.075	6	0.663	10	5.923	8
San Diego, CA	4.03	7	2.252	4	4.553	12
Phoenix, AZ	3.972	8	1.808	7	7.064	2
San Francisco, CA	3.963	9	2.006	5	4.707	11
Austin, TX	3.685	10	1.49	8	7.239	1
Sacramento, CA	3.418	11	-0.29	12	4.182	13
Albuquerque, NM	3.374	12	-1.773	13	6.334	5
Minneapolis, MN	3.307	13	1.934	6	5.781	9
Albany, NY	2.576	14	-2.387	14	3.379	14

Table 2: Indicators of entrepreneurship for competitor regions.

Source: The Innovation Entrepreneurship Nexus, <http://www.sba.gov/advo/research/rs256tot.pdf>

New Establishments

More recent data on new firm formation are not available; however, more recent data are available on the birth and death of establishments. The Small Business Administration publishes data on establishment births, deaths, and employment changes by employment size and region. While the REI firm data count only new firms, establishment data include new branches or plants that may be tied to larger, existing firms. Thus, although they signal new investment in a region, they may be a less reliable indicator of entrepreneurial activity.

Table 3 shows birth and death rates for new establishments from 2001 to 2002 as a percentage of establishments in 2001. The table shows the rates for both all establishments and for very small establishments—those with fewer than twenty employees. The rate of formation for very small establishments may be more indicative of entrepreneurial activity—new firms are more likely to start small than establishments of existing firms. The death rate of establishments, particularly of small establishments, may be indicative of the environment for sustaining new businesses

The Portland-Vancouver region's establishment birth rate for 2001 to 2002 is slightly above the average for all metropolitan areas, and about the same as the Seattle region, but lower than many of its competitor regions. The region with the highest establishment birth rate was Las Vegas, reflecting the high overall growth rate in the Las Vegas area during that time. Note that along with its high birth rate, Las Vegas had a high death rate, especially for small establishments. But as shown in Figure 1, the death rate was much lower than the birth rate, unlike San Francisco, where the death rate was higher than the birth rate. In the Portland-Vancouver region, the overall death rate was slightly lower than the birth rate. Figures 2 and 3 compare the birth and death rates for all establishments with those of small establishments.

Region	Birth Rate		Death Rate	
	All	Small	All	Small
All MSA	12.60%	13.00%	11.90%	13.30%
Albany	11.30%	11.00%	10.60%	12.00%
Albuquerque	13.50%	14.00%	12.70%	14.10%
Austin	14.90%	15.40%	13.40%	15.40%
Boise	15.40%	16.40%	12.70%	14.40%
Denver	14.50%	15.30%	13.80%	15.10%
Las Vegas	19.30%	20.90%	14.70%	17.90%
Minneapolis-St. Paul	12.40%	13.00%	11.90%	13.60%
Phoenix	15.80%	16.20%	13.70%	15.70%
Portland-Vancouver	12.90%	13.50%	12.50%	14.20%
Sacramento	15.40%	15.50%	12.30%	13.80%
Salt Lake City	14.80%	16.40%	13.10%	14.90%
San Diego	15.40%	15.70%	12.70%	14.20%
San Francisco	11.50%	11.50%	13.70%	14.70%
Seattle	12.90%	13.60%	13.30%	15.00%

Table 3. Establishment birth and death rates, 2001 to 2002.

Source: Small Business Administration, Office of Advocacy. SBA
<http://www.sba.gov/advo/research/data.html#st> and author's calculations

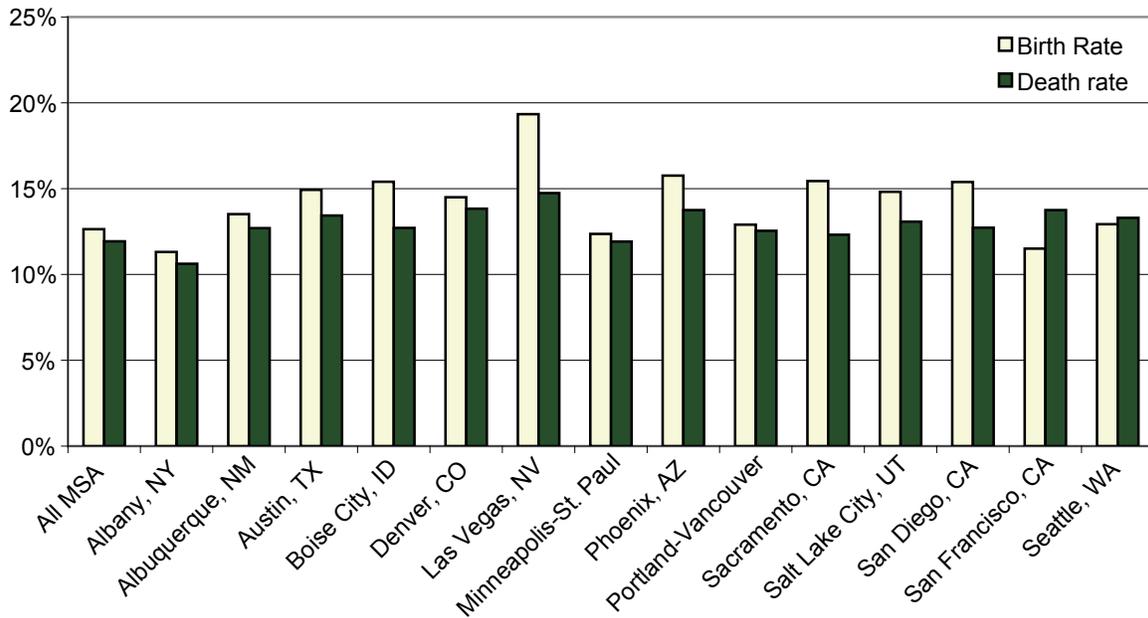


Figure 1. Birth rates and death rates for all establishments, 2001 to 2002

Source: Small Business Administration, Office of Advocacy. SBA <http://www.sba.gov/advo/research/data.html#st> and author's calculations

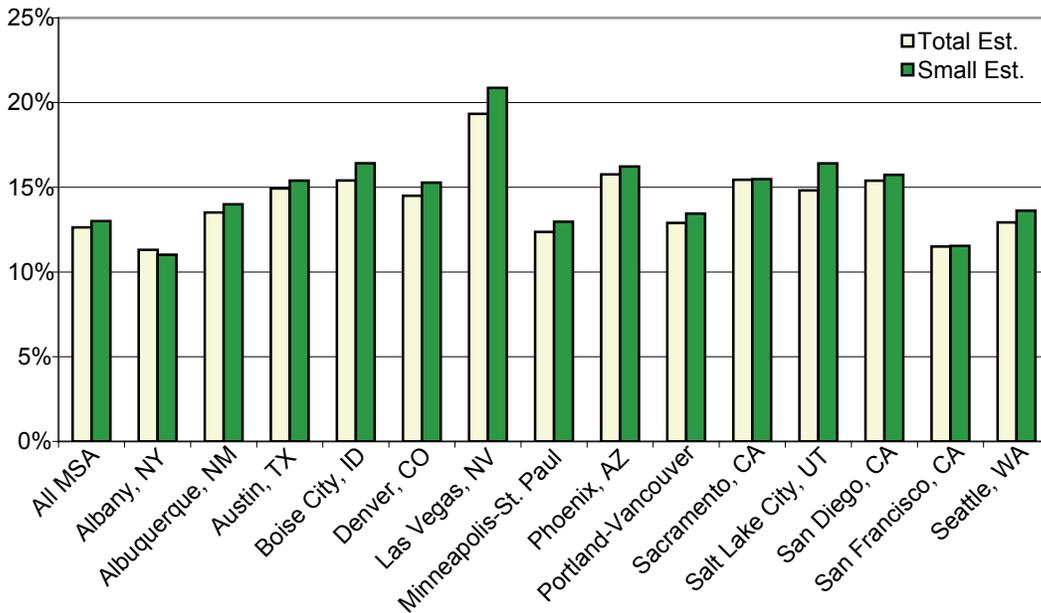


Figure 2. Birth rates for all versus small establishments, 2001 to 2002.

Source: Small Business Administration, Office of Advocacy. SBA <http://www.sba.gov/advo/research/data.html#st> and author's calculations

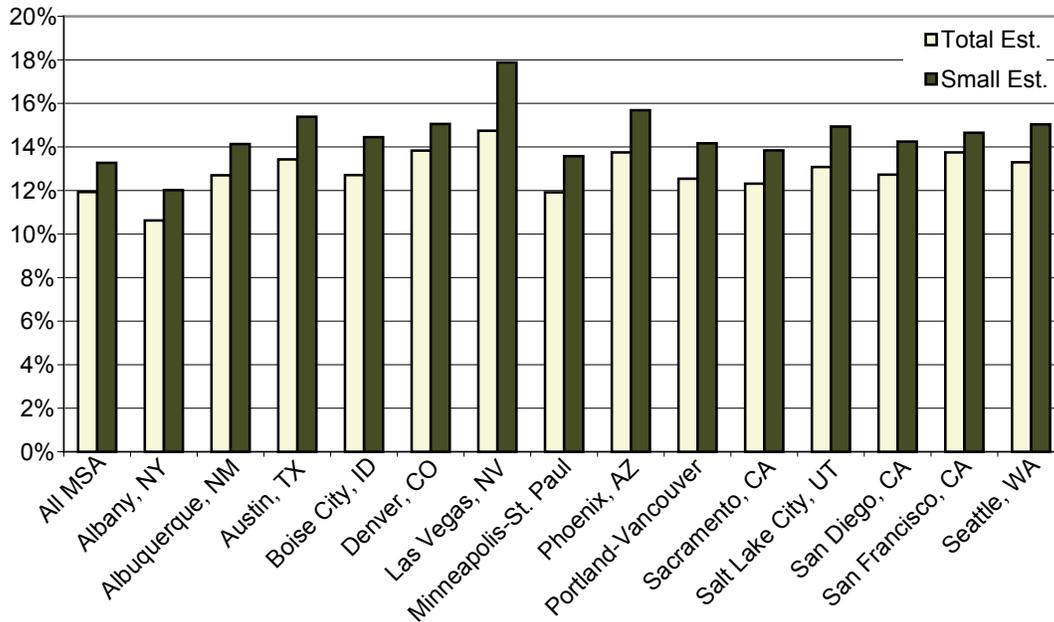


Figure 3. Death rates for all versus small establishments, 2001 to 2002.

Source: Small Business Administration, Office of Advocacy.

<http://www.sba.gov/advo/research/data.html#st> and author's calculations

Fast-Growing Firms

In 1999 the Public Policy Institute (PPI) calculated an Index for Economic Dynamism as a sub-index of the Metropolitan New Economy Index (<http://www.neweconomyindex.org/metro/part3.html>). Researchers at PPI took four variables into account for this index: number of jobs provided by gazelle firms (1998), loss rate of gazelle firm employment (1999), gain rate of gazelle firm employment (1999), and new publicly traded companies (1999 and 2000). "Gazelles" are companies that have grown at least 20 percent per year within at least a five year period. By including data on these companies, the PPI index captures the segment of the economy producing a great number of high wage jobs. For more information about gazelle firms, see. (<http://www.trudelgroup.com/gazelle.htm>).

Among competitor regions that were ranked for this index, Portland ranked almost last, beating only Sacramento. Keep in mind, however, that the data used for this index are five to seven years old; this index has not been updated for metropolitan regions.

Table 4: Metropolitan New Economy Index for Economic Dynamism.

Source: Metropolitan New Economy Index,

<http://www.neweconomyindex.org/metro/part3.html>

Region	Index of Economic Dynamism	
	Index	Rank
San Francisco	15.9	1
Las Vegas	13.7	2
Denver	12	4
Seattle	11.7	5
San Diego	11.6	6
Phoenix	11.5	8
Austin	11.5	9
Salt Lake City	11.1	15
Minneapolis	10.7	17
Portland-Vancouver	9.7	27
Sacramento	7.8	47

Venture Funding for Startup Companies

In our last newsletter, we reported on the availability of venture funding in Portland and its competitor regions and showed that Portland's venture capital investment for 2004 was lower than many of its competitors, but higher than Sacramento, upstate New York, and Salt Lake City. In this issue, we focus on the extent to which that funding is made available to startup companies.

Table 5 shows total venture capital and venture capital going to seed, start up, and early stage companies for the first quarter of 2005 for Portland and eight of its competitor regions. Seattle and Austin are leading with the greatest percentage of funds going to seed, start-up and early stage companies, followed by the bay area. Portland again fell in the middle, with about 16 percent of funding directed to seed, startup and early stage companies. The national average is about 18 percent.

Region	Venture Capital Q1 2005		
	Total	Seed, Start-up, early stage companies	Seed, Start-up, early stage companies, %
Austin	174.3	64.7	37.1
Seattle	101	32.8	32.5
San Francisco-Berkeley	462.6	107.1	23.2
Portland-Vancouver	48.2	7.5	15.6
Sacramento/N. CA	32	5	15.6
Denver	161.1	18.8	11.7
San Diego	125.4	14.6	11.6
Twin Cities	54.9	3.7	6.7
Upstate NY	12.6	0.5	4

Table 5: Venture capital for seed, start up, and other early stage companies, First quarter of 2005. Source: Venture Economics, <http://www.ventureeconomics.com/vec/stats/2005q1/0MAINMENU.html>

Entrepreneurship Education

The ingredients essential to new company creation include ideas, funding, and the talent needed to pull the ingredients together. Although technical expertise is certainly important, entrepreneurship experts assert that management talent is critical, and that a lack of management talent can prevent a region from converting technical knowledge into sustainable companies that create jobs and wealth. Thus, an excellent entrepreneurship education program can offer a region a wealth of knowledgeable graduates—a resource that adds to the entrepreneurial climate of a region.

Entrepreneur magazine, working with TechKnowledge Point Corp, a new-venture research firm, compiled and analyzed the data for the rankings in Table 6. They identified and ranked entrepreneurship education programs in four categories: comprehensive national (offering the widest variety of resources at nationally prominent colleges and universities); comprehensive regional (comprehensive programs at regionally prominent colleges and universities); entrepreneurship emphasis (a smaller number of entrepreneurship faculty, courses and initiatives), or limited curriculum (only a few faculty teaching a limited number of courses). Within each category, the authors ranked programs into four tiers—programs within the same tier have comparable offerings and resources.

Table 6 shows, for each of the competitor states, the total number of ranked programs and lists the programs that were ranked among nationally or regionally comprehensive universities. A more complete explanation of the ranking criteria can be found at <http://www.entrepreneur.com/topcolleges>.

Although the rankings identified four programs in Oregon, only two were either nationally or regionally ranked. Fortunately, both of these programs, at the University of Oregon and the University of Portland, were ranked in the first tier among regionally ranked programs.

Several of our competitor states, including Arizona, California, and New York, have first tier, nationally ranked programs. California, New York, and Texas have the greatest number of programs, although many of these are located in cities outside our competitor regions (e.g. Columbia in New York City). Most of our competitor states—all except new Mexico and Idaho—have at least one program among the 50 national or 50 regionally ranked programs.

State	Total Progs	Nationally or regionally ranked programs	Tier	Ranking type	
				National	Regional
Arizona	2	University of Arizona – Karl Eller Center, Berger	1st	X	
California	36	University of California, Los Angeles – Harold Price Center for Entrepreneurial Studies	2nd	X	
		California State University, Fresno	2nd		X
		California State University, San Bernardino	2nd		X
		University of California, Berkeley	3rd	X	
		University of California, Irvine	4th		X
		Claremont Graduate University	4th	X	
		San Diego State University, Entrepreneurial	2nd		X
		University of San Francisco	1st		X
		University of Southern California	1st	X	
Colorado	9	Stanford University	3rd	X	
		University of Colorado at Boulder	3rd	X	
Idaho	5	University of Colorado at Denver and Health Sciences Center, Bard Entrepreneurship Center	1st		X
		No nationally or regionally ranked programs			
Minnesota	10	University of Minnesota, Twin Cities, Center for Entrepreneurial studies	3rd		X
		University of St. Thomas /John M. Morrison	3rd	X	
Nevada	2	Sierra Nevada College	1st		X
New Mexico	1	No nationally or regionally ranked programs	4th		
New York	19	Baruch College, CUNY, Lawrence N. Field Center for Entrepreneurship and Small Business	3rd		X
		Clarkson University, Shipley Center	3rd		X
		Columbia University, Eugene M. Lang Center for Entrepreneurship	1st	X	
		Cornell University	2nd	X	
		Syracuse University, Falcone Center for Entrepreneurship	1st	X	
Oregon	4	University of Oregon, Lundquist Center for Entrepreneurship	1st		X
		University of Portland, Center for Entrepreneurship	1st		X
Texas	15	Baylor University, Center of Entrepreneurial studies	3rd	X	
		University of Houston	1st		X
		University of North Texas	1st		X
		Rice University	3rd	X	
		Southern Methodist University, Caruth Institute	2nd	X	
		Texas Christian University, James A. Ryffel Center for Entrepreneurial Studies	3rd	X	
		Texas Tech University	4th		X
Utah	2	University of Texas at Austin--Herb Helleher Center for Entrepreneurship	4th	X	
		Brigham Young University	1st		X
Washington	3	University of Utah, Utah Entrepreneur center	3rd		X
		University of Washington, Center for Technology Entrepreneurship	3rd	X	

Table 6. Entrepreneurship education programs in competitor states
Source: <http://www.entrepreneur.com/topcolleges>

Entrepreneurship News Items

U.S.

Flawed Data for Business Bankruptcy Rates

Research funded by the Ewing Marion Kauffman Foundation shows that bankruptcy rates were nine times higher than government data show. Professors Elizabeth Warren and Robert Lawless authored the report. They contend that the new federal bankruptcy law, signed two months before the publication of the report, may hinder entrepreneurship ventures rather than help them.

http://www.usatoday.com/money/companies/2005-06-15-bankrupt-usat_x.htm

Inner City 100 Announced

The 2005 edition of Inner City 100 has been released in the June issue of Inc. Magazine. This list, compiled annually since 1999 by the Institute for a Competitive Inner City (ICIC) and Inc Magazine, lists the fastest growing businesses located in America's inner cities. The members of the 2005 Inner City 100 list have thrived. Between 1999 and 2003, these companies created more than 9,500 new jobs and experienced an average growth of 827% over five years. To learn more about the Inner City 100, visit: <http://www.inc.com/inner100/>

Oregon

University entrepreneurship program receives grant

The University of Portland received a grant that will assist nonbusiness professors to incorporate entrepreneurship training into their teaching. The three year program will allow student to take part in an entrepreneurship learning activity as part of their core classes.

<http://www.bizjournals.com/portland/stories/2005/05/16/daily25.html?f=et75>

Seattle venture capitalists establish Portland offices

Two Seattle based venture capital firms, Evergreen Pacific Partners and Buerk Dale Victor, plan to open up offices in Portland, Oregon.

http://www.bizjournals.com/industries/banking_financial_services/venture_capital/2005/06/20/portland_story7.html

Local VC Firms Chosen for State-Directed Venture Funds

The first venture capital firms were chosen to receive state funds that were provided as part of 2003 legislation. All firms are either Portland based or will establish Portland offices. Buerk Dale Victor, Cascadia Partners, Evergreen Pacific Partners and Riverlake Partners will receive the first \$34 million of the \$105 million allotted funds.

http://www.bizjournals.com/industries/banking_financial_services/venture_capital/2005/05/16/portland_story6.html

Babson College may offer MBA in Portland

Babson College looking to establish a fast track Master in Business Administration program in Portland this fall.

<http://portland.bizjournals.com/portland/stories/2005/06/13/story3.html>

Arizona

Arizona Bill to Encourage Angel Capital Investments Passes

Senate Bill 1335 was passed by the Arizona legislature and signed by Governor Napolitano on May 20. The bill will provide tax credits to Arizona start-up tech firms.

More information on S.B. 1335 is available at: <http://www.azleg.state.az.us/legtext/47leg/1r/bills/sb1335h.htm>

Bill Passed to Spur Angel Investment

The Arizona Technology Council is developing a marketing campaign to inform investors and businesses about the state's new tax credit program. It is expected that the \$20 million angel investment program will encourage and support business start-ups.

<http://www.eastvalleytribune.com/index.php?sty=43322>

State's Effort to Attract Private Investors not Successful

The Knowledge Economy Capital Fund has not attracted any new investment partners. A \$100 million fund spearheaded by Arizona's governor and top technology advocates has only the \$25 million commitment from the State Compensation Fund insurance group. Critics question a public-private partnership's effectiveness in attracting venture capital.

http://www.bizjournals.com/industries/banking_financial_services/venture_capital/2005/06/20/phoenix_story7.html

California

First East Bay Economic Summit Lauds Job and Small Business Strength

Small Business Development Center at Cal State East Bay organized a weekly long event of seminars and classes

for small businesses in San Francisco county's East Bay. The area has emerged as a center for employment and small businesses in the region.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2005/05/03/BUGN9CIU4F1.DTL>

"Economic Gardening" plants seeds in Oakland

Economic Gardening, an economic development concept that was pioneered in Littleton Colorado, has taken root and spread to many other cities, including Oakland, California. Sponsored by the City of Oakland's Economic Development Division, Economic Gardening program offers local companies with high growth potential assistance with information-based marketing resources and technologies. To read more about Oakland's program, visit:

<http://www.oaklandeg.com/index.php>.

For a history of Economic Gardening, visit <http://www.littletongov.org/bia/economicgardening/>

New Regional Loan Fund Gets Local Coffee Company Brewing

The city of San Diego has developed three revolving loan funds to assist small businesses. The largest and most recent, the \$3 million San Diego Regional Revolving Loan Fund, will aid mid-level non-technology companies that generate a high number of jobs. In addition, the \$1 million San Diego Technology Fund provides capital to technology companies and the \$500,000 is aimed to assist underserved small business owners in low to moderate income census tracts.

<http://www.sandiego.gov/ced/press/050617.shtml>

Colorado

New Public/Private Partnership Agreement to Manage State Venture Funds

The state Venture Capital Authority signed an agreement to have High Country Venture LLC manage just under \$25 million of state funds. The new partnership was formed to improve on the state's management of venture funds. The old "certified capital companies" program was viewed by its regulators to be costly and inefficient.

http://www.insidedenver.com/drmn/business/article/0,1299,DRMN_4_3873228,00.html

Improved Outlook for Colorado Entrepreneurs

Venture firms are receiving more business plans due to the optimistic investment climate in Colorado. http://www.bizjournals.com/industries/banking_financial_services/venture_capital/2005/05/23/denver_story3.html

Idaho

Idaho Leads the West in Low Business Costs

According to Economy.com, Idaho has the lowest cost of doing business when compared to the states of Arizona, California, Colorado, Nevada, Oregon, Utah and Washington. An independent provider of economic research, Economy.com, looked at business costs for all 50 states and the District of Columbia for 2004. The index took into account each state's labor and energy costs and overall state and local tax rates. In 2003, Oregon led the western states for the lowest cost of doing business and Idaho ranked second.

The Economy.com report, Regional Costs of Doing Business, is available at: www.economy.com

Registration is required. For the state of Idaho press release visit: http://idoc.state.id.us/news/action.lasso?-database=PressRelease&-layout=web&-response=Webserver%2f%2fcommerce_dev%2flasso%2fpress%2fdetail.html&-recordID=33067&-search

Minnesota

Entrepreneurship key to North Minneapolis Development Strategy

Although lacking a major corporate employer, North Minneapolis is counting on entrepreneurs, especially among minority populations, to spur development in the area.

<http://twincities.bizjournals.com/twincities/stories/2005/06/06/story8.html>

Nevada

Las Vegas Earmarked as New Venture Capital Hot Spot

Although Las Vegas is lacking a mature venture capital community, many investors are looking more at the city to invest. A wealth of entrepreneurial know-how and economic diversification is making the city a prime spot for investment. <http://www.inbusinesslasvegas.com/2005/04/29/feature1.html>

New Mexico

New Tax Credit, Loan Program

Two bills designed to encourage economic growth in New Mexico were signed by Governor Bill Richardson. House Bill 410 put into effect the Small Business Technology Tax Credit and House Bill 518, the SMART Money Initiative, creates a fund to provide loans to companies planning to establish offices in New Mexico.

http://www.governor.state.nm.us/press/2005/april/040405_2.pdf

http://www.governor.state.nm.us/press/2005/april/040405_3.pdf

For more information on the individual bills, visit the New Mexico Legislative website at:

<http://legis.state.nm.us/>

Early Stage Growth in New Mexico

Early stage venture capital investment believed to be on the upturn in New Mexico.

http://www.bizjournals.com/industries/banking_financial_services/venture_capital/2005/05/09/albuquerque_story1.html

New York

Albany's Tech Valley Still Concerned about Access to Venture Capital

Access to venture capital has been a top concern voiced at Tech Valley's Summit for the past five years. Three hundred business leaders attended this year's Summit.

http://www.bizjournals.com/industries/banking_financial_services/venture_capital/2005/05/02/albany_story1.html

Texas

Austin Ventures Closes Largest Early Stage Fund in 2005

Austin Ventures, the fifth largest venture capital firm in the country, is ready to funnel its new \$525 million venture capital fund to firms in Austin and other parts of Texas. The fund will focus on fast-growing companies, two thirds of which are expected to be technology companies.

<http://www.statesman.com/business/content/business/stories/05/9av.html>

Utah

New Suazo Center to open in Salt Lake City

The Pete Suazo Business Center, established in 2003, has been moved to its new permanent home and will have its official opening later this summer. The center provides resources to new entrepreneurs such as incubator offices and classes.

<http://deseretnews.com/dn/view/0,1249,600135550,00.html>

Washington

Microsoft Assisting Start-Up Businesses

Microsoft Intellectual Property Ventures announced a new program that will build stronger links between Microsoft and start-up businesses. Microsoft will license technology and unused intellectual property to start-up firms. The plan will not only assist small, innovative businesses, but also heighten Microsoft's ability to penetrate new markets. Programs like this are expected to become more widely used by major corporate entities seeking to make better use of unused intellectual property.

To learn more about Microsoft Intellectual Property Ventures, visit: www.microsoftipventures.com

Richland scientist named chair of biotech fund

Lura Powell, president and CEO of Advanced Imaging Technologies Inc. of Richland and former director of the Pacific Northwest National Laboratory, has been appointed the first chair of the Life Science Discovery Fund by Gov. Christine Gregoire. The Life Sciences Discovery Fund is the state's new biotech development initiative that will tap into the states \$350 million tobacco settlement.

<http://www.bizjournals.com/seattle/stories/2005/06/27/daily16.html?GP=OTC-MJ1752087487>

Entrepreneurship Research/Reports

Using Census BITS to Explore Entrepreneurship, Geography, and Economic Growth

This recent report by Zoltan C. Acs and Catherine Armington discusses three related research projects that used the Business Information Tracking Series (BITS) to examine the role of entrepreneurial activity in economic growth. The researchers found considerable variation in the new firm formation rates across regions. Increases in the rate of firm formation are associated with higher employment rate growth. The study also finds that differences in firm formation rates are explained by industry specialization, human capital, and local population and income growth rates.

The study can be downloaded at: <http://www.sba.gov/advo/research/rs248tot.pdf>

New Analysis of Microenterprise Statistics

The Association for Enterprise Opportunity (AEO) is the national trade association for organizations working with micro-entrepreneurs. The AEO tracks data on micro-entrepreneurs, and its latest analysis covers the period between 2000 and 2002. Over this period, microenterprise employment (measured in two categories - in firms with no employees or firms with 1-4 employees) grew by 5.1%, out-performing the national economy over the same period. In Oregon, microenterprise employment represents 18.1% of all private (non-farm) employment, ranking 13th in the United States. To view the latest Microenterprise Employment Statistics (MEES), visit:

<http://www.microenterpriseworks.org/services/policy/mees/documents/Summaryanalysis3.pdf>

Microenterprise History and Best Practices

Aspen Institute's FIELD program (Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination) has recently published a comprehensive guide to microenterprise entitled, Opening Opportunities, Building Owner-

ship: Fulfilling the Promise of Microenterprise in the United States. by Elaine L. Edgcomb and Joyce A. Klein. The report reviews the history of microenterprise practice in the United States, examines the current status of microenterprises, and presents of recommendations for improving microenterprise management. It is available at: <http://fieldus.org/publications/FulfillingthePromise.pdf>

Promising Practices in Entrepreneurship

Building on success with the Development Report Card for the states, the Corporation for Enterprise Development (CFED) is offering a new series of reports that present best practices for economic development from around the United States. They begin the series, entitled Promising Practices, with an examination of local entrepreneurship programs. The report examines the topics of networking, finance, training and education, services, and public policy. The Corporation for Enterprise Development's 2005 report on Promising Practices in Entrepreneurship can be accessed at: <http://www.cfed.org/focus.m?parentid=34&siteid=245&id=249>

Another look at Best Practices

The Small Business Administration Office of Advocacy has released the proceedings from its recent conference on entrepreneurship policy entitled Putting It Together: The Role of Entrepreneurship in Economic Development. The March conference featured the presentations from of nineteen states about how they have created entrepreneurship-friendly environments. The conference and proceedings were co-sponsored by the Office of Advocacy, the Kauffman Foundation of Kansas City, the Council of State Governments, and the National Lieutenant Governors Association. Copies of the proceedings can be downloaded by visiting the Office of Advocacy web site at: <http://www.sba.gov/advo/research/>

Linkages Between Angel and Venture Capitalists

Researchers Tony Stanko and Utoh Akah at George Washington University have released the results of a survey examining the relationships between angel investors and institutional venture capitalists (VCs). The survey asked angels and VCs about how they worked together and how they perceive one another, and their experiences with specific deals. The authors make suggestions about how angel and VC investors can improve their working relationships. The report, entitled Survey: The Relationship between Angels and Venture Capitalists in the Venture Investment Industry can be downloaded at: <http://lab2ipo.org/A2VCSurvey/VC%20Angel%20Survey%20v.final.pdf>

Commerce Department Journal Covers Entrepreneurship

The Winter 2005 issue of Economic Development America, a journal produced by the US Economic Development Administration, focuses on the relationship between innovation and entrepreneurship in economic development policy. Entitled "The Marriage of Innovation and Entrepreneurship: A New Model for High Growth Economic Development," the issue includes papers about networks and technology transfer, rural entrepreneurship, and entrepreneur support systems. It also includes a special section on technology transfer. The issue can be downloaded at: <http://www.eda.gov/EDAmerica/winter2005/index.html>