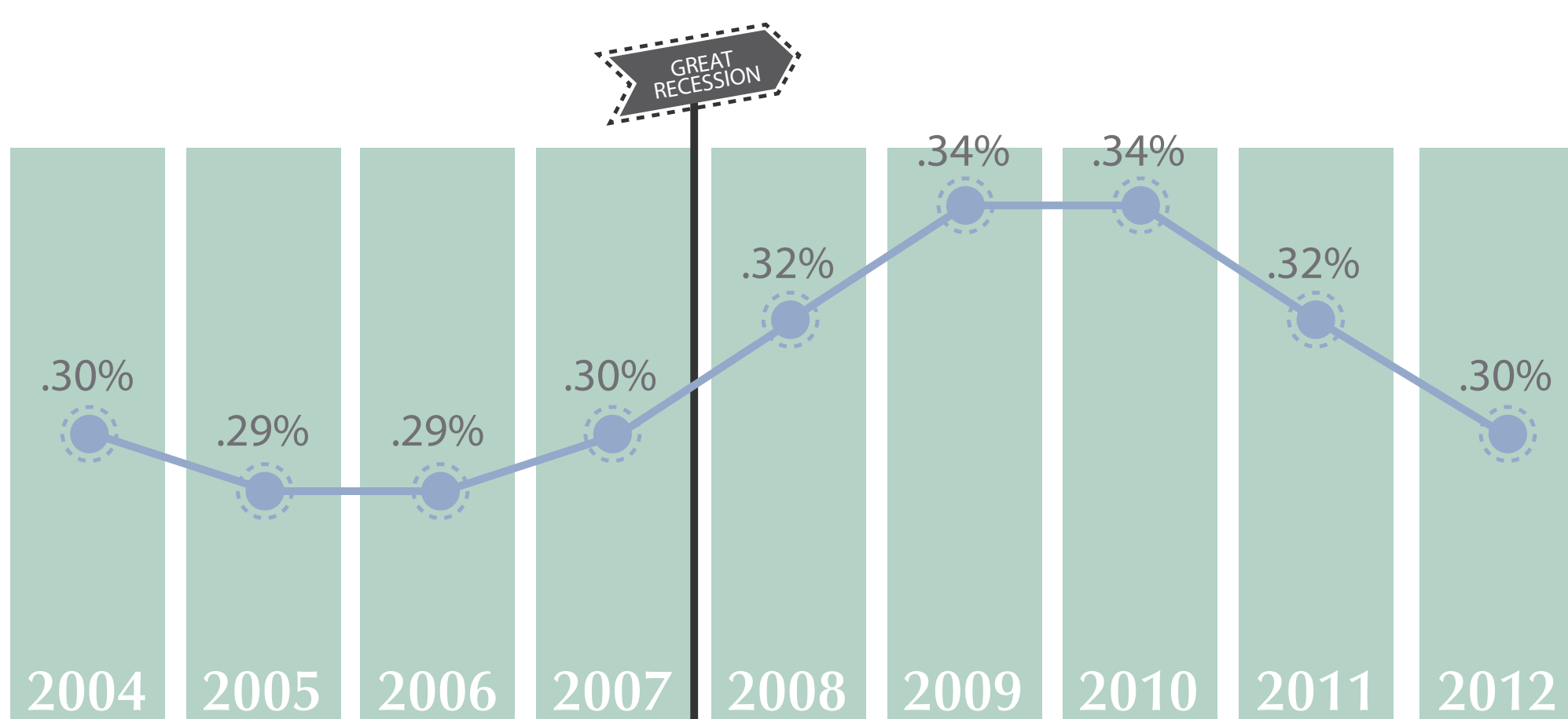


U.S. Business Startup Activity Drops in 2012 but Remains Above Pre-Great Recession Levels

Kauffman Index of Entrepreneurial Activity A Leading Indicator of New Business Creation in the United States

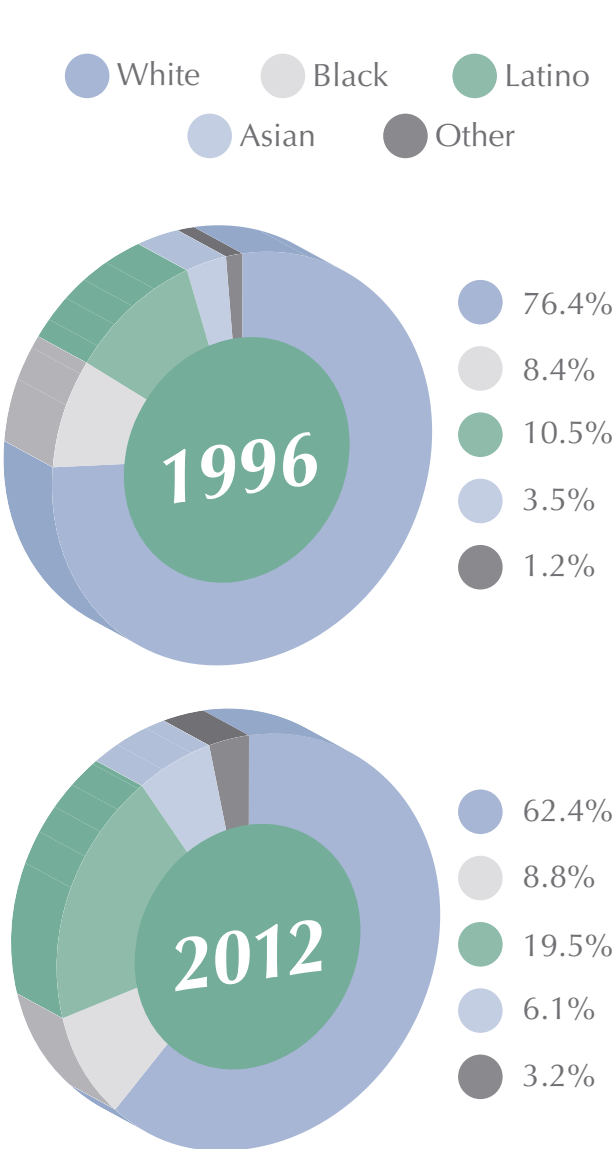


Entrepreneurship dipped in 2012, but still remains slightly above pre-recession levels, according to new data from the Kauffman Index of Entrepreneurial Activity. The decline in business creation may be due to improving labor market conditions. The Index captures annual information about new business owners in their first month of significant business activity, providing the earliest documentation of new business activity across the United States. It also provides information for demographic, state, and select metropolitan statistical areas. New 2012 data, coupled with previous reports since 1996, reveal important shifts in the national level of entrepreneurial activity.

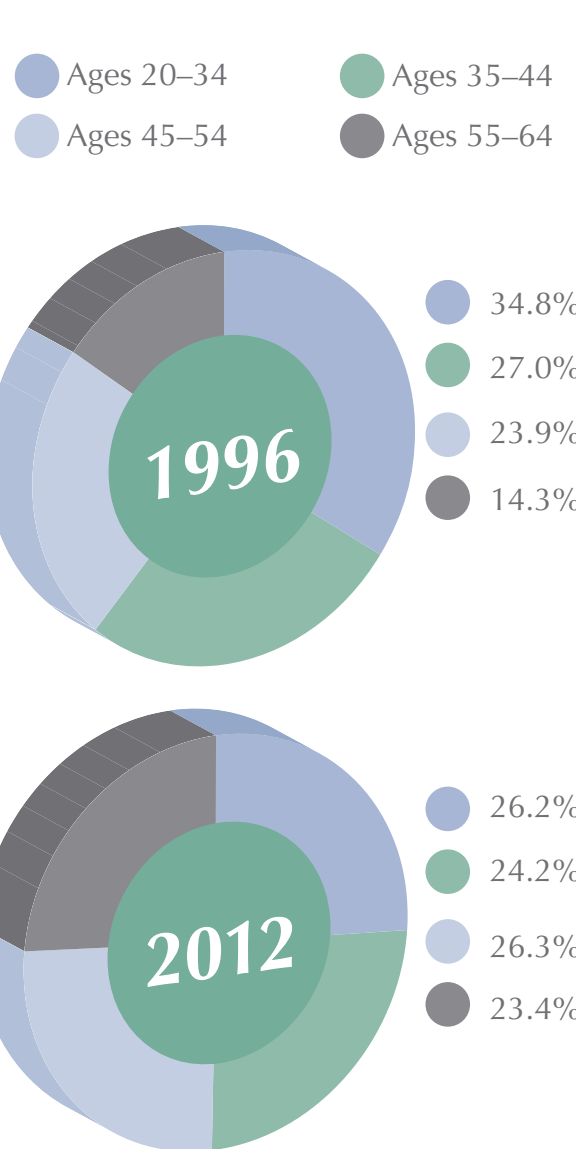
Activity by Demographics

Between 1996 and 2012, changing demographics and changing propensities for entrepreneurship led to some large shifts in the composition of new U.S. entrepreneurs.

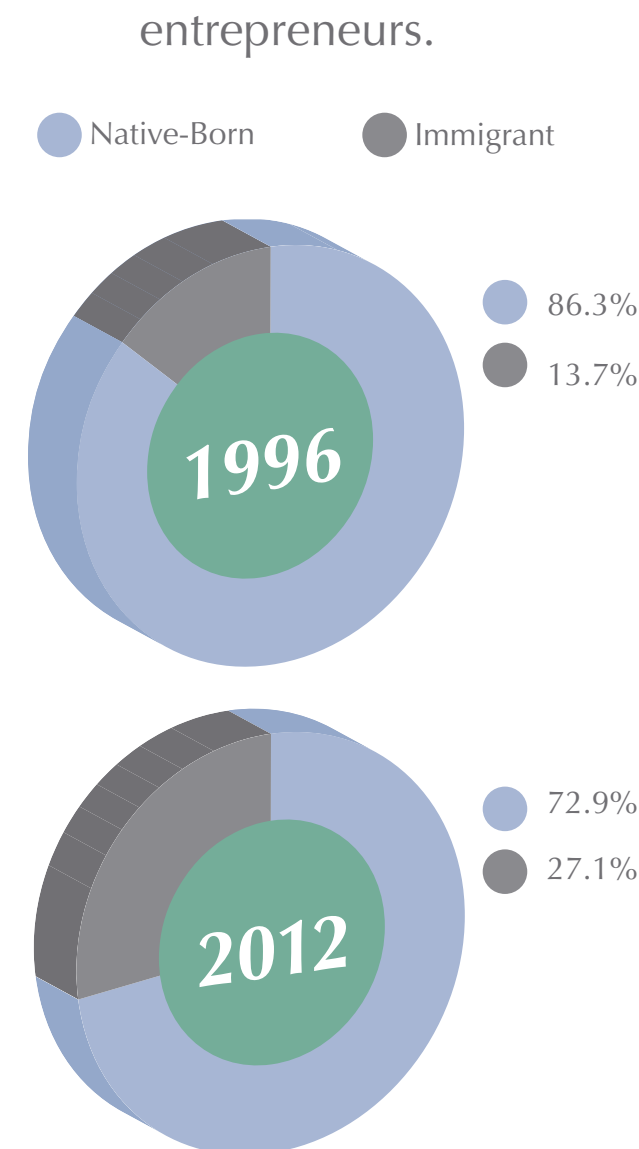
New Latino entrepreneurs nearly doubled (from 10.5% to 19.5%) from 1996 to 2012.



The share of entrepreneurs ages 55-64 group grew from 14.3% to 23.4% from 1996 to 2012.

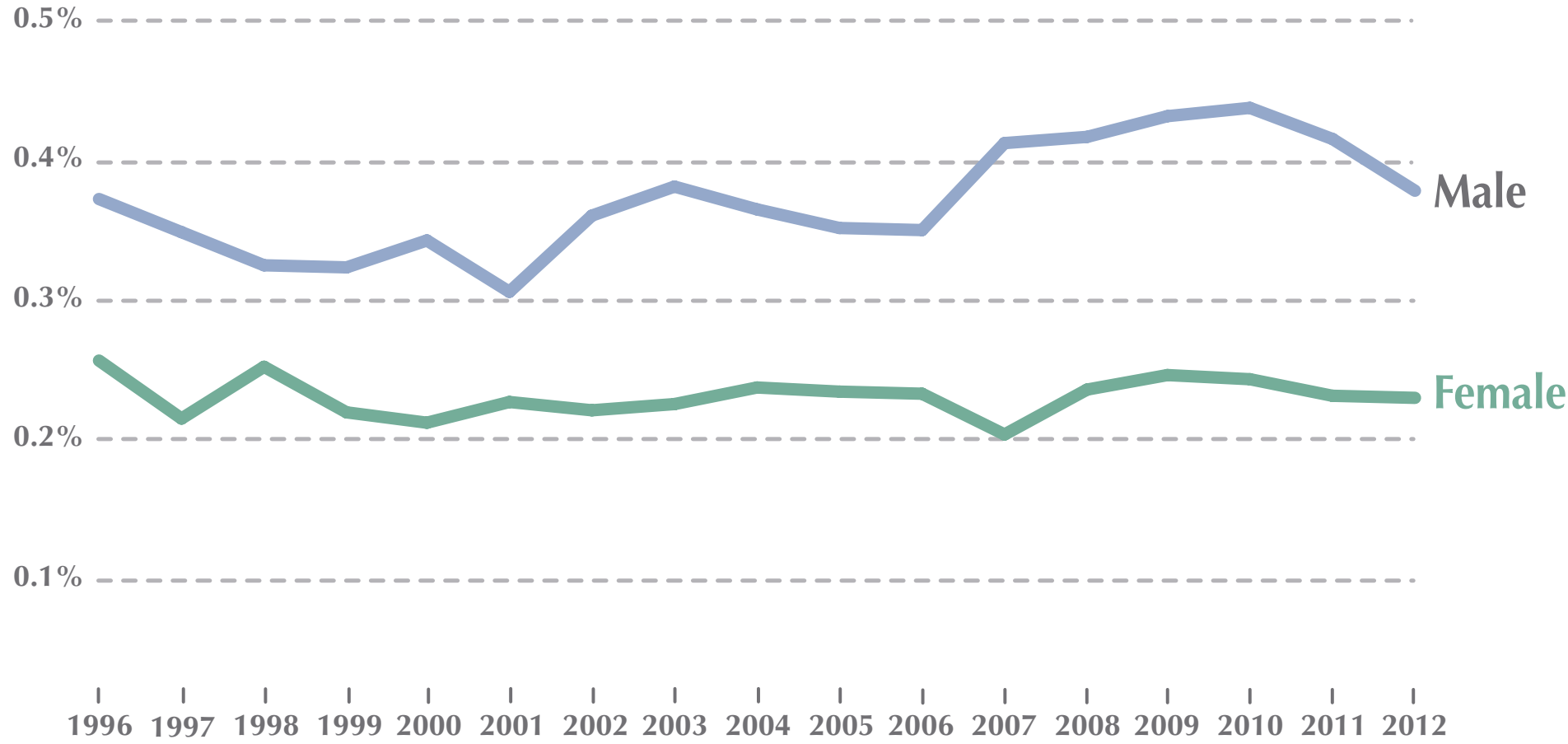


A growing immigrant population and rising entrepreneurship rate contributed to a rise in the share of new immigrant entrepreneurs.



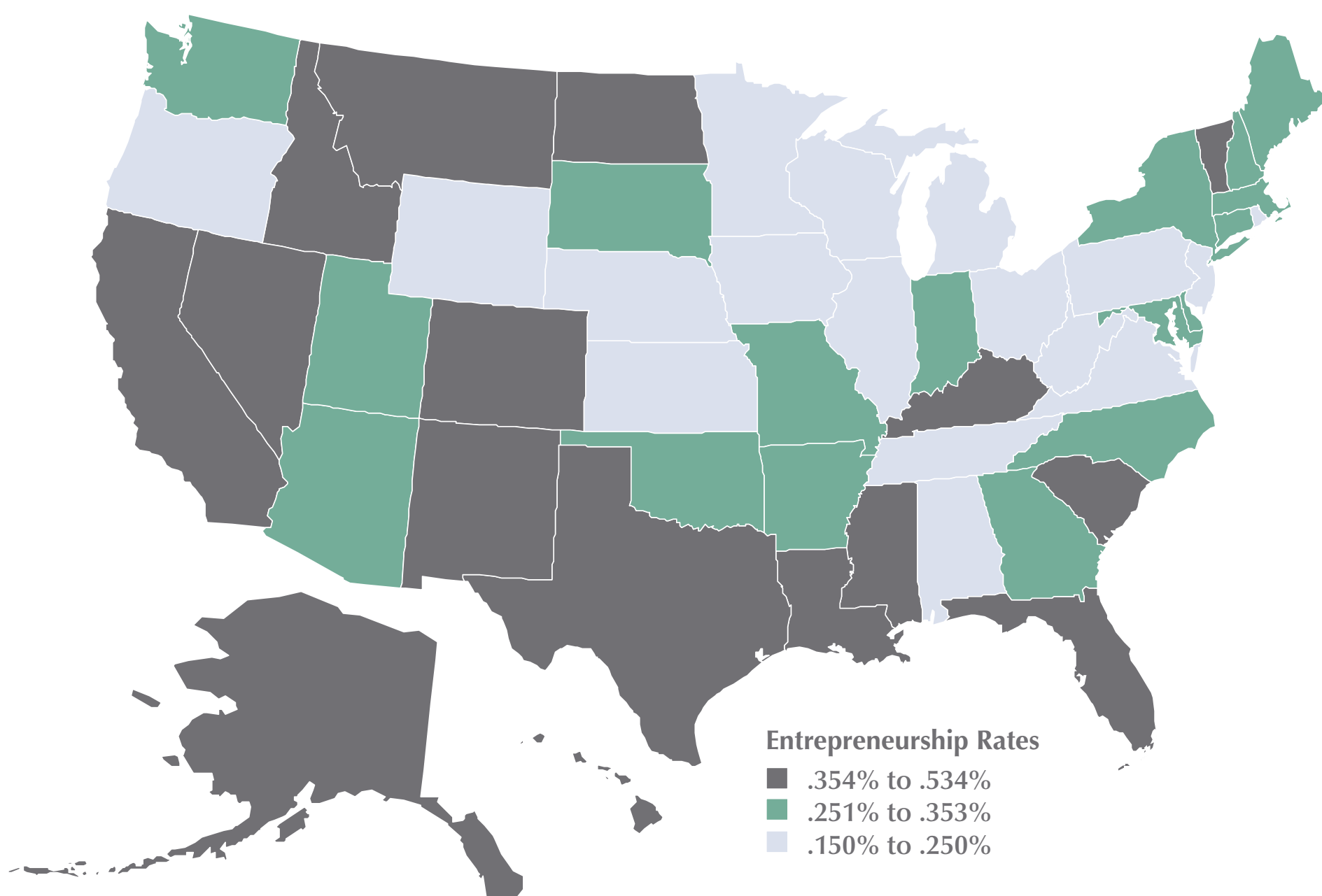
Activity by Gender

Men started companies at twice the rate of women; however, the overall decline in business creation rates in 2012 was entirely driven by a decline in rates among men.



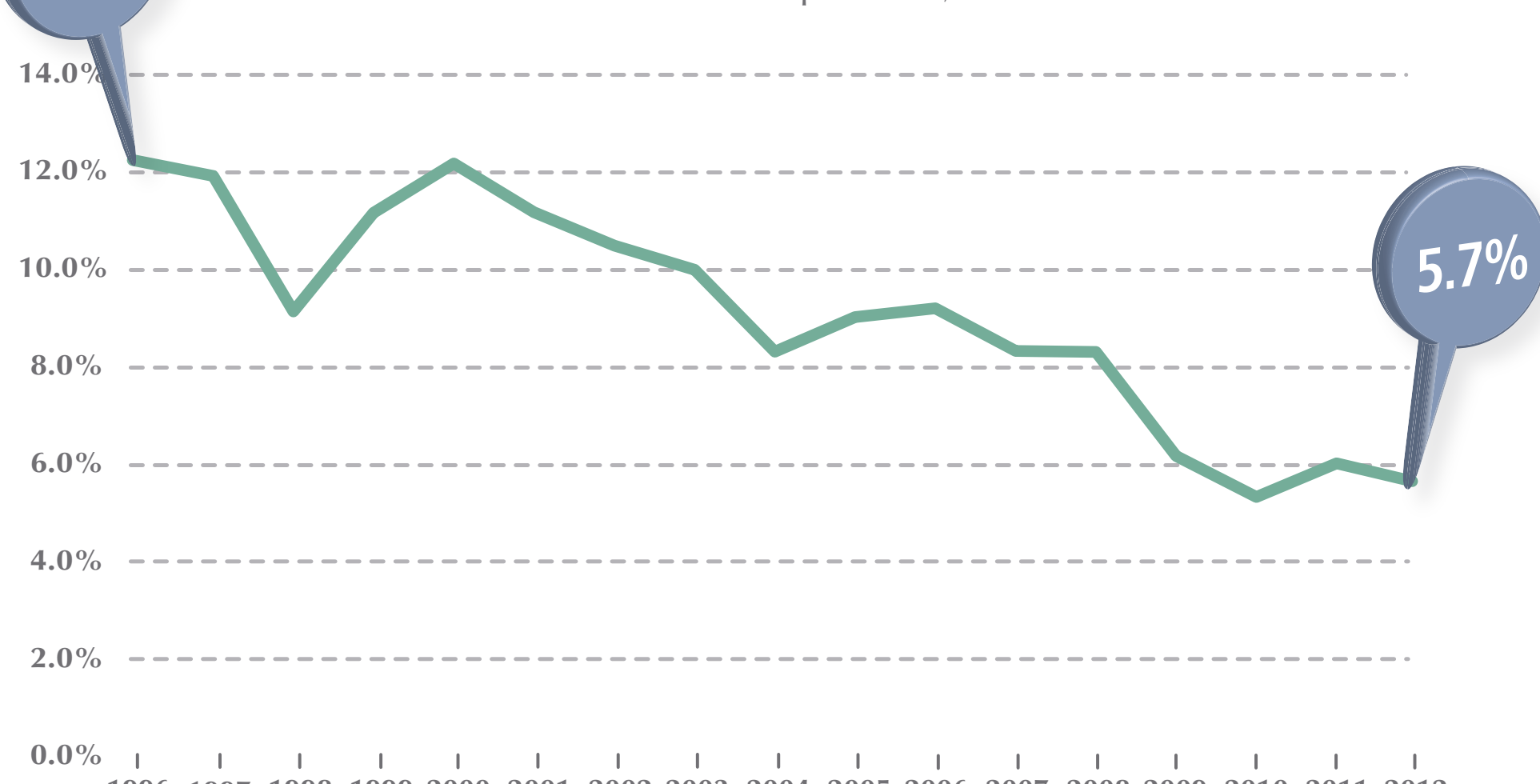
Activity by State

From 2011 to 2012, U.S. entrepreneurship rates decreased in all regions. The Western region had the highest entrepreneurship rate, and the Midwest the lowest. The highest ranked states were Montana, Vermont, New Mexico, Alaska, and Mississippi; the lowest ranked states were Minnesota, Nebraska, Michigan, Wisconsin, and Ohio.



Activity by Veteran Status

Veteran Share of New Entrepreneurs, 1996-2012



Main reason for the decline: Decrease in the working-age veteran population.