Motivation
Examine how local conditions impact potential entrepreneurs’ decision to start a business in ten upper Midwest states.

Research Question
Does entrepreneurship grow faster in counties where a larger share of the population holds a Bachelor’s degree?

Method
Used the multiple regression technique to examine how the growth rate in entrepreneurs is related to the initial values of selected independent variables.

Results
\[
\log(\text{Ent 2018}/\text{Ent 2015}) = \beta_0 + \beta_1 \log(2015 \% \text{ Bachelor’s Degree}) + \beta_2 \log(2015 \text{ DIR income per capita}) + \beta_3 (2015 \text{ Top marginal Tax Rate}) + \beta(4-12)* (\text{Beale 2015})
\]

Discussion
I find that my measure of educational attainment is positively correlated with the rate of entrepreneur growth at the county level. I also find a negative relationship between entrepreneur growth and both DIR income per capita and the top marginal tax rate. Entrepreneur growth is faster in larger metropolitan areas (Beale Codes 1 and 2). This model explains 7.5% of the variation in growth of entrepreneurs.

Literature Review

Data
US Census Bureau, Bureau of Economic Analysis, Tax Foundation, United States Department of Agriculture

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