

THE SOUTH FLORIDA BUSINESS JOURNAL

FIU study: South Floridians minding their own businesses

Commerce is so busy in South Florida that people who live in the area are more likely to start or run a new business than to have a baby. They are even more likely to be entrepreneurs than to get married.

The comparisons are part of a study in which researchers at Florida International University's Eugenio Pino and Family Global Entrepreneurship Center measured the level of entrepreneurial activity in Miami-Dade, Broward and Monroe counties. The study did not look at Palm Beach County, which the South Florida Business Journal considers to be part of South Florida. Also, the Business Journal does not usually include Monroe County in its description of the region.

"South Florida Entrepreneurship: The 2004 Assessment" reports 330,000 individuals are involved in starting a business or managing one less than four years old.

Paul Reynolds, lead researcher and director of the Entrepreneurship Center, said the economic impact of the activity is large, but the entrepreneurial process is not well understood.

"When you consider that entrepreneurship generates about half of all new jobs in an economy, this group of people is very important," he said. "The new data can give us more precise information about entrepreneurial behavior and, consequently, helps develop more focused policy recommendations."

In looking at entrepreneurship, the study dispelled a myth that most people who start their own business do it out of necessity. While Miami-Dade has a higher percentage of necessity entrepreneurs when compared to the rest of the country, most people - four in five - go into business because they see an opportunity, the study found.

Among other findings:

- The Cuban entrepreneurial enclave is no longer a distinctive feature of the South Florida economy; Hispanics are more active in start-ups in northern Florida.
- Optimism among South Florida's new businesspersons is higher than in the rest of the country, with many expecting to add new positions in their businesses.
- South Florida has a higher percentage than the rest of the nation of entrepreneurs with less than an 8th grade education.

"As we accumulate knowledge on the dynamics of business creation, we can start making recommendations that can make economic development policies more efficient, but also give them a higher impact," Reynolds said..