

So reports the [Kauffman Entrepreneurial Index](#) , which found that Philadelphia trailed the other 15 largest metropolitan areas in individuals starting new businesses. The Index results, cited in [this April, 2009 article by the Ewing Marion Kauffman Foundation](#) , include the following alarming conclusions:

- The states with the lowest entrepreneurial activity rates were Pennsylvania, Missouri, Wisconsin, West Virginia, Iowa and Ohio.
- Among the United States' fifteen largest metropolitan statistical areas, Atlanta had the highest entrepreneurial rate (0.74 percent) in 2008. Philadelphia had the lowest rate (0.16 percent).

You read that right – in 2008, Philadelphia had the fewest people starting up new businesses of any of the nation's largest 15 cities, and the situation was reflected across the state of Pennsylvania. One question that immediately arises is to wonder whether this dearth of entrepreneurship exists across the for-profit and non-profit sectors equally. Certainly the case could be made that the business privilege tax hampers the birth of new for-profit ventures. If this is the primary factor at play, one would expect to see a far higher degree of entrepreneurship in the non-profit sector.

What do you think? Is a lack of entrepreneurship a hallmark of the Philadelphia region? Does it play out equally in for-profit and non-profit sectors? Does the Kauffman Index have it wrong entirely? If we think the Index mischaracterized Philadelphia, what can we do to alter the negative public perception of our City and region? Share your thoughts in the comments, or any experiences you have had as an entrepreneur in Philadelphia launching a new business venture.