# Why Entrepreneurs Are Important for the Economy

Entrepreneurs are frequently thought of as national assets to be cultivated, motivated and remunerated to the greatest possible extent.

Entrepreneurs can change the way we live and work. If successful, their innovations may improve our standard of living. In short, in addition to creating wealth from their entrepreneurial ventures, they also create jobs and the conditions for a prosperous society.

The following are five reasons why entrepreneurs are important to the economy.

1. **Entrepreneurs create businesses that hire people**. This is the topmost reasons why entrepreneurs improve the economy. Their businesses require a number of employees to help them run the business; from accountants to computer programmers to human resource staffs all businesses have them.  
     
   Entrepreneurs provide their employees a steady job and income. The workers’ income puts food on the table and feed their family members. The same income will be needed to be able to buy necessities such as food, clothing and shelter. This in turn will help spur the economy and provide necessary jobs and businesses for people that meet these basic needs.  
     
   For those who earn a lot more, they can now afford to spend on luxuries such as vacation, jewelries and concerts. This will benefit the people working or providing these kind of businesses.
2. **Entrepreneurs Add to National Income.** The small businesses that the entrepreneurs established are required to pay necessary government taxes. The tax pounds from the businesses will be used by the government to provide people with basic services such as health care, transportation, education, construction and so many others.
3. **Entrepreneurs create demand for products which in turn create jobs and other businesses**. Entrepreneurs need to buy products in order to produce finished goods. They need raw materials. Sometimes these raw materials are finished goods themselves, for instance gold.  
     
   Buying raw materials for their businesses will create other businesses which in turn create more jobs. For example, it is necessary for fashion designers to buy silk fabrics, so they go to silk fabric suppliers. These suppliers may require workers to keep tract of their inventories and orders. And the cycle goes on and on, further stimulating the economy.
4. **Entrepreneurs introduce new technologies to the market.** They come up with new technologies, create new products and provide new services. Steve Jobs, the founder of Apple Computers, introduce us to Mac and iPod. Bill Gates founded Microsoft. The works of these two individuals led to the creation of millions of other software programs that we see today.  
     
   Through their unique offerings of new goods and services, entrepreneurs break away from tradition and indirectly support freedom by reducing dependence on obsolete systems and technologies. Overall, this results in an improved quality of life, greater morale and economic freedom.
5. **Community Development.** Entrepreneurs regularly nurture entrepreneurial ventures by other like-minded individuals. They also invest in community projects and provide financial support to local charities. This enables further development beyond their own ventures.  
     
   Some famous entrepreneurs, like Bill Gates, have used their money to finance good causes, from education to public health. The qualities that make one an entrepreneur are the same qualities that motivate entrepreneurs to pay it forward.