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2019/2020 Family Entrepreneurship Report

Global Entrepreneurship Monitor

Donna J. Kelley, William B. Gartner, and Mathew Allen

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GEM Global Entrepreneurship Monitor

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Giuliana Faraj


Faraj Family

Executive Summary

The GEM Family Entrepreneurship Report provides evidence to confirm an assumption that has not been highly visible in the media or in dialogue about entrepreneurship, but that may make sense when people consider businesses in their communities and highly visible companies like Walmart, Samsung, Anheuser-Busch, Tata Motors, and Banco Santander: In most countries around the world, families are involved in the majority of business startup and mature business activities.

The GEM Family Entrepreneurship Report found that, across 48 economies, comprising a total sample of over 150,000 adults, 75% of entrepreneurs and 81% of established business owners co-own and/or co-manage their businesses with family members (unweighted averages).

Entrepreneurship across the world is family entrepreneurship. *Family business scholars and practitioners have long argued that discussions of entrepreneurship should include family entrepreneurship. This report indicates that discussions of entrepreneurship are in fact discussions of family entrepreneurship.*

This report details the involvement of family in both the entrepreneurship and established business phases across economies, representing an array of economic development levels and geographic locations. The review covers participation levels across different forms of family co-ownership and co-management, employment characteristics and market innovativeness. Following are select key results from the report.

Rates of Family Involvement in Entrepreneurship

- In East and South Asia, Thailand shows the highest total entrepreneurial activity (TEA) rates in the region, with essentially all entrepreneurs involving family. Japan, Taiwan and China have the lowest proportion of family involvement in the entire sample, accounting for little more than 40% of TEA.
- In Europe and North America, family involvement ranges from 54% in Turkey to 90% in Poland.
- In every participating Latin American and Caribbean economy, over three-fourths of entrepreneurs involve family in their startups.
- In the Middle East and Africa, more than three-fourths of entrepreneurs involve family in the high-TEA economies of Angola, Lebanon, and Sudan.
- The highest necessity motives among family entrepreneurs can be found in two low-income countries: Egypt (50%) and India (46%). On the other hand, Poland, Sweden, Switzerland, Luxembourg, Netherlands and the United States—all high-income economies—report necessity motives of 10% or less among family entrepreneurs.

Forms of Family Involvement in Entrepreneurship

- The most common form of family entrepreneurship is co-management without co-ownership. High proportions of this ownership form, around 85% or more of TEA, prevail in four economies from different regions: Madagascar, Panama, Indonesia, and Poland. Conversely, China reports only 12% co-management without co-ownership.
- The next most prevalent form is co-ownership with co-management. This form characterizes more than one-third of entrepreneurs in Colombia, Uruguay, and the United Arab Emirates, but less than 5% of TEA in the Republic of Korea.
- It is uncommon for entrepreneurs to co-own but not co-manage with family. Many economies (Thailand, Puerto Rico, Bulgaria, United Kingdom, Russian Federation, Cyprus, and France) did not show evidence of this form. The highest level could be seen in Argentina (18%).

Barber Family

Rates of Family Involvement in Established Business Activity

- The proportion of established business ownership involving family in East and South Asia shows similarities to what is observed with TEA. All established business owners in Thailand and 94% in Indonesia indicated they involve family. On the other hand, this accounted for a minority of established business activity in China (30%).
- Neighboring countries in Central Europe (Slovenia, Slovak Republic, Poland and Croatia), as well as Bulgaria, report over 90% of established business ownership involves family.
- In Latin America, family involvement in established business activity is proportionately high in Argentina (92%) and accounts for nearly all established business activity in Panama (99%).
- In the Middle East and Africa, a notable contrast exists in Madagascar and Lebanon, both with established business rates of 22%. In Madagascar, 97% of this activity involves family, but less than 70% involves family in Lebanon.

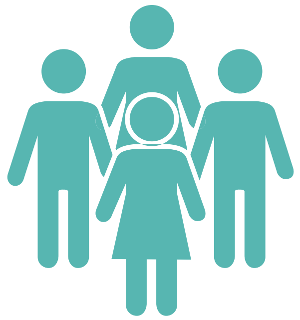
Forms of Family Involvement in Established Business Activity

- Close to 40% or more of established business activity in every economy involves family as co-managers but not co-owners, with the exception of China, where it accounts for only 9%. Nearly all established business owners in Panama (95%) and Madagascar (94%) have family members managing with them, although they are either sole owners or have non-family partners.
- Established business ownership with both co-ownership and co-management accounts for around 30% of established business activity in Luxembourg, the United Arab Emirates and Canada. In contrast, 4% or less of this form exists in the Republic of Korea, Indonesia, Israel, Panama and Madagascar.
- Family co-ownership without co-management is rare, with no indication of this form in Thailand, Indonesia, Panama, Peru, Guatemala, Israel, Lebanon, Sudan, and the Russian Federation.

Among family established business owners, 20% employ more than five people.

Job Creation in Family Entrepreneurship and Established Business Ownership

- Across the 48 economies, 57% of family entrepreneurs, on average, expect that the majority of their employees over the next five years will be family members. Among established business owners, 62% state that the majority of their current employees are family members.
- On average (unweighted) across the 48 economies, nearly 8% of family entrepreneurs have already, in this early stage, employed more than five people in their businesses. Among family established business owners, 20% employ more than five people.
- With regard to job creation expectations, 19.5% of family entrepreneurs expect to hire more than five new employees, while 9.5% of family established business owners make this prediction (unweighted average in 48 economies).
- In economies that have high proportions of family entrepreneurs with more than five current employees, they will also have this level of employment among family established business owners. A similar strong relationship can be seen with growth expectations.
- In economies where there is a relatively high proportion of entrepreneurs and established business owners who currently employ more than five employees, there are also likely to be high expectations for job creation.



Across **48 economies** participating in this report, **75% of entrepreneurs indicated that their family was involved** in starting their businesses, either as co-managers and/or co-owners. **These are family entrepreneurs.**

Introduction

The family is the basic social unit for every person across every culture and country. Nearly all individuals live their lives in families, in one form or another. Yet, surprisingly, not until its 20th year of research on entrepreneurship did the Global Entrepreneurship Monitor ask about the influence of family in starting a business or owning an established business. This report looks at the family's contribution to entrepreneurship across the world.

Most of what is known about family entrepreneurship focuses on established businesses. Astrachan and Shanker (1996) indicated that about 75% of the 27.09 million firms in the United States could be classified as family businesses. The European Commission estimates that between 70% and 90% of all firms in the European Union would be considered family businesses.

Empirical research on family business in the Asia Pacific region is sparse, but it appears that families own the majority of businesses. In Singapore, it is estimated that 80% to 90% of businesses are family-owned (Lee, 2006). In China, over 85% of privately held businesses are family businesses (Sun Yat-sen University and Zhejiang University).

In the Middle East and Persian Gulf countries, *Tharawat Magazine* found that 75% of non-governmental organizations were controlled by about 5,000 families. The Family Firm Institute estimated that between 65% and 98% of all firms in Latin America were family businesses. Information on family businesses in Africa is limited, but research shows most businesses in Uganda are family-owned (Balunywa, Rosa, and Nandagire-Ntamu, 2013).

Given that most established businesses are family businesses, one might ask whether most businesses that are started are created through the involvement of families. The academic consensus is yes (Aldrich and Cliff, 2003), although empirical evidence is limited. The GEM Family Entrepreneurship Report provides insights into family involvement with entrepreneurship and the ownership/operation of businesses after the business creation phase.

Background on GEM

The Global Entrepreneurship Monitor (GEM) has become the most frequently used source of data on entrepreneurship in academic publications; and it helps governments, the private sector, higher education, and other audiences develop policies, programs, research, and lessons that advance understanding of and support for entrepreneurship.

GEM was co-founded by Babson College Professor William Bygrave and London Business School Professor Michael Hay. GEM represents a network of researchers, from around the world, who, since its first survey in 1999, have conducted random, representative surveys of at least 2,000 adults (age 18-64) across the population of each participating economy. These surveys produce primary data on: rates of entrepreneurship across multiple phases of the process; the demographics, motivations, and ambitions of entrepreneurs; and characteristics of their businesses, such as level of innovativeness and industry participation. Additionally, GEM uncovers a range of insights on the attitudes, self-perceptions and affiliations relative to entrepreneurship in society.

GEM's focus on entrepreneurs provides insight on the people who are starting and running businesses, and those in society who may support their efforts. GEM's Adult Population Survey captures both informal and formal activity, moving beyond a reliance on business registrations, which explain only a small proportion of entrepreneurship in many societies. With a rigorous methodology, consistently followed by all GEM teams and meticulously supervised and processed by a central data team, GEM enables cross-national comparisons.

Special Topic Focus on Family Entrepreneurship

Three questions related to family involvement were added to the survey in 2018 for 48 economies. The first question asked respondents who stated they were in the entrepreneurial or established business phase whether their businesses were mostly co-owned with family members and/or other relatives. The second asked whether their businesses were mostly co-managed with family members and/or other relatives. These two questions indicated whether respondents qualified as family entrepreneurs or family established business owners.

The third question asked entrepreneurs whether they expected that most of the people working for the business in the next five years would be family members or other relatives. For established business owners, this question was phrased to inquire whether most of the people who currently worked for the business were family members or other relatives. This provided additional insights on the involvement of family beyond ownership and management. Other GEM indicators that are typically included in the annual survey provided information detailed in this report on the motives, job creation, and innovation characteristics of family entrepreneurs and their businesses.

Family may be involved in entrepreneurship through co-ownership and/or co-management. As Figure 1 illustrates, there are three configurations characterizing family entrepreneurship: (1) family members may both co-own and co-manage a business, (2) family members may co-own but not co-manage a business, or (3) family members may not co-own the business but are involved in co-managing it. Each of these three forms represents high involvement of family, and together they compose a measure of family entrepreneurship.

Figure 1: Co-Ownership and Co-Management Characteristics of Family Involvement in Entrepreneurship

	Not Co-owned	Co-owned
Co-managed	Family: Co-managed, not co-owned	Family: Co-owned and co-managed
Not Co-managed	Non-family	Family: Co-owned, not co-managed

Table 1 shows economies represented in this report. They are grouped by income level, based on classifications used by the World Economic Forum's (WEF) Global Competitiveness Report[1]. The low-income group in this report contains those classified by WEF as either low-income or lower-middle-income. The middle-income group contains those classified by WEF as upper-middle-income. Regional groupings are based on classifications used by the World Economic Forum and the United Nations. In some regions, only a few economies are represented in the GEM 2018 survey. Consequently, some regions are combined with others—for example, Europe and North America, East and South Asia, and Middle East and Africa.

Table 1: Forty-Eight Economies Featured in this Report, by Geographic Region and Income Level

	Low Income	Middle Income	High Income
East and South Asia	India Indonesia	China Thailand	Japan Korean Republic Taiwan
Europe and North America			Austria Canada Croatia Cyprus France Germany Greece Ireland Luxembourg Netherlands Poland Slovak Republic Slovenia Spain Sweden Switzerland United Kingdom United States
Latin America and the Caribbean		Brazil Colombia Guatemala Peru	Argentina Chile Panama Puerto Rico Uruguay
Middle East and Africa	Angola Egypt Madagascar Morocco Sudan	Iran Lebanon	Israel Qatar Saudi Arabia United Arab Emirates

[1] http://www3.weforum.org/docs/GCR2018/05FullReport/TheGlobalCompetitivenessReport2018.pdf

[2] https://population.un.org/wpp/DefinitionOfRegions/

Structure of This Report

The GEM Family Entrepreneurship Report first reviews participation rates of family entrepreneurs across the three forms outlined at the beginning of this introduction, with additional information on the percentage of necessity motives among family entrepreneurs. Next reviewed are family established business owners, those who own and manage businesses more than 3½ years old. The report then turns to job creation aspects of family entrepreneurship and established business ownership, examining the involvement of family employees, the number of current employees, and expectations for future job creation. Finally, the report covers the level of market innovativeness of family entrepreneurs and established business owners. The report concludes with key implications about family entrepreneurship and business ownership. Detailed data tables may be found in the appendix.

1.1 Family Entrepreneurship Rates

The GEM methodology explores whether survey respondents indicate they are actively engaged in starting a business, are actively involved in developing a new business (less than 3½ years old), or are owners/managers of businesses more than 3½ years old. Involvement in starting a business and developing a new business compose GEM's measure of Total Entrepreneurial Activity (TEA).

When individuals responded that they were either starting a business or developing a new business, on average (unweighted) across the 48 economies participating in this report, 75% of entrepreneurs indicated that their family was involved. These are family entrepreneurs.

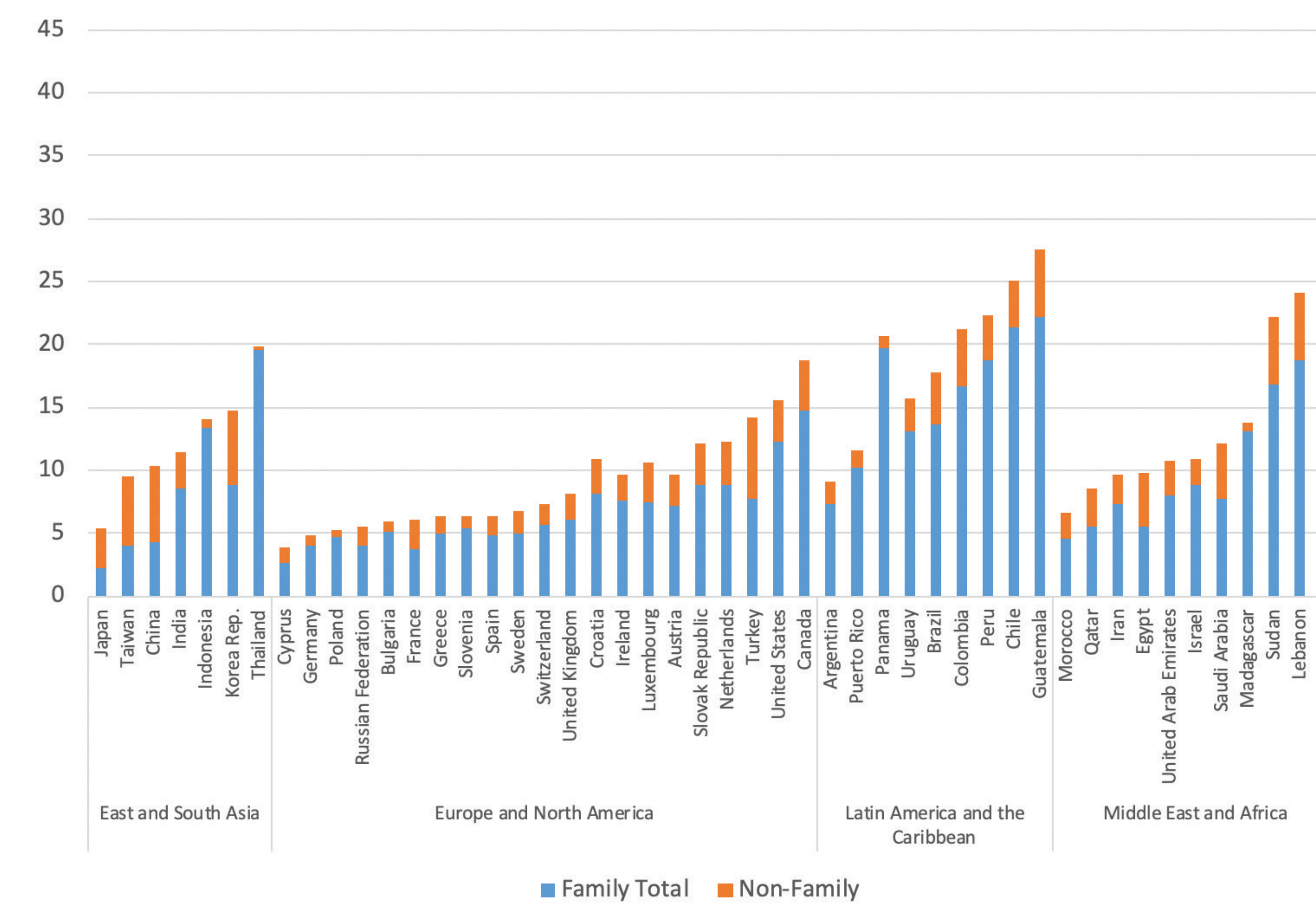
Family entrepreneurship is as varied as TEA across the economies, as Figure 1.1 illustrates. This figure shows TEA levels, with the proportion of family involvement, grouped into four regions. Given that the variation within a region is greater than the variation among regional averages, this discussion will focus on the former.

Probably the most distinct difference within a region can be seen in East and South Asia. The highest TEA rates are in Thailand, with essentially all entrepreneurs involving family. The Republic of Korea and Indonesia have high and nearly equal TEA rates, but exhibit a stark difference in family involvement, with only 60% of TEA involving family in the Republic of Korea, versus 95% in Indonesia. At the low end of TEA in this region, Japan, Taiwan and China have the lowest proportion of family involvement in the entire sample, accounting for little more than 40% of TEA. For the remaining 45 economies in the entire sample, the majority of TEA is family-based.

In Europe and North America, about half of the countries report the lowest TEA rates in the sample. With mostly high-income countries in these regions, an adequate number of work options can be assumed, with perhaps incentives such as employer-provided benefits or stable and attractive salaries that encourage work as an employee, producing opportunity costs associated with starting a business. In this regional grouping, family involvement ranges from 54% in Turkey to 90% in Poland. Given that Poland exhibits only a 5% TEA rate, it could be reasoned that family is critical in starting businesses when there may otherwise be a lack of interest or support.

In every participating Latin America and Caribbean economy, over three-fourths of entrepreneurs involve family in their startups. In the Middle East and Africa, this level of involvement distinguishes low-TEA countries versus high-TEA countries. Those reporting low TEA show three-fourths of entrepreneurs or fewer involving family, whereas high-TEA economies show more than three-fourths of entrepreneurs involving family.

Figure 1.1: Total Entrepreneurial Activity (TEA) Rates in the Adult Population (18-64 Years of Age) in 48 Economies with Proportion of Family Involvement, Grouped into Four Regions



Source: Global Entrepreneurship Monitor 2018

Chapter 1

1.2 Forms of Family Entrepreneurship

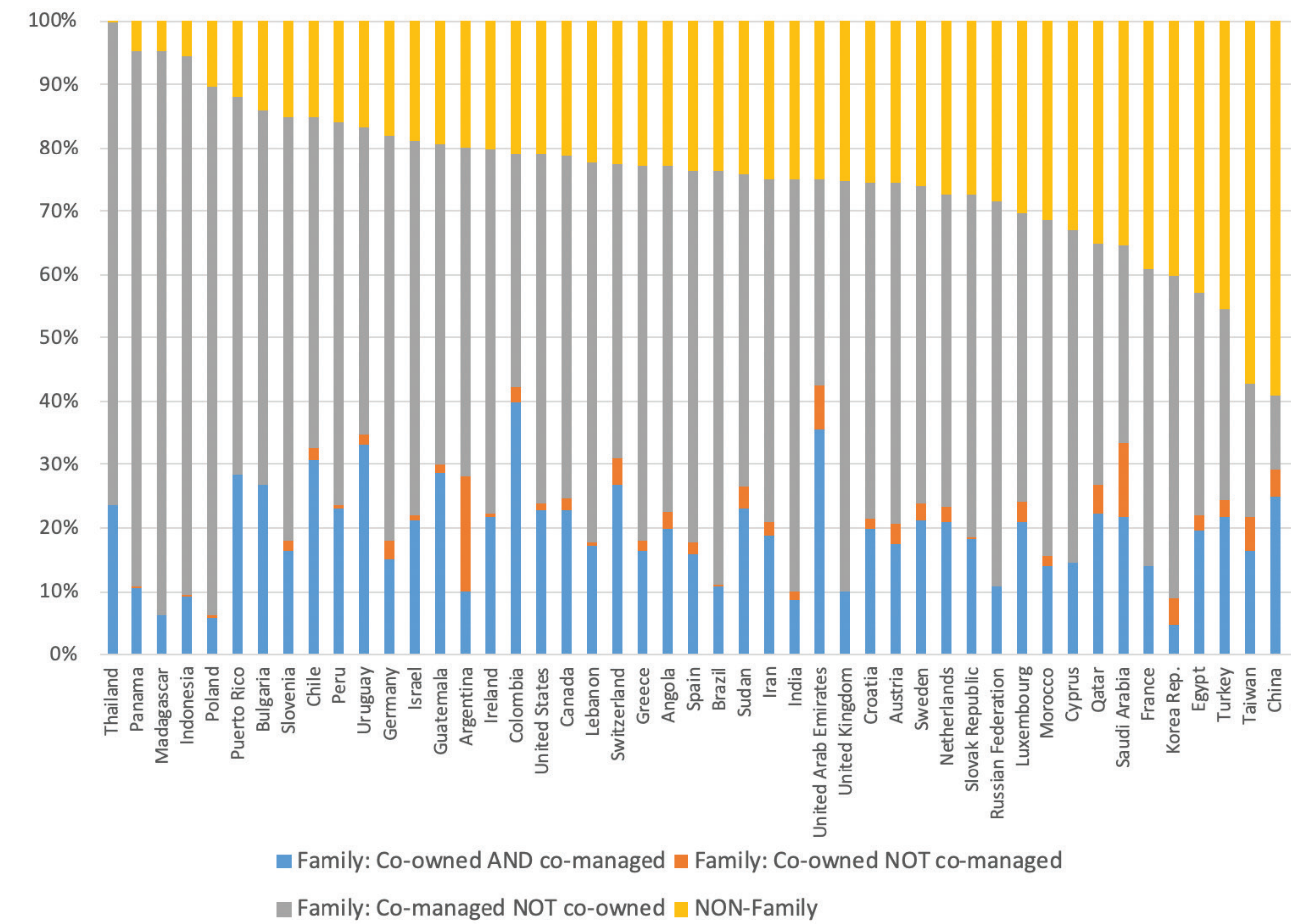
This report defines family entrepreneurship as encompassing both co-ownership and co-management, only co-ownership with family, or only co-management with family. Figure 1.2 shows a breakdown of TEA into these three forms, as well as non-family involvement.

The most common form of family entrepreneurship is co-management without co-ownership. In this scenario, a respondent may have sole ownership or ownership with non-family co-founders, but at least one family member plays a role in managing the business with the owner(s). In Madagascar, 89% of TEA involves co-management (but not co-ownership) with family. High proportions of this ownership form, around 85% of TEA, are also seen in three economies in different regions: Panama, Indonesia, and Poland. Conversely, this form is rare in China: only 12% of respondents report co-management without co-ownership. Taiwan also shows low levels at 21% of TEA.

The next most prevalent form is co-ownership with co-management, which may be conceptualized as the strongest form of family entrepreneurship. Here, family members are highly involved in both owning and managing a business with the entrepreneur. In Colombia, this form characterizes 40% of TEA. Two other Latin American countries also have high proportions of co-ownership with co-management—Uruguay (33%) and Chile (31%). Additionally, 36% of TEA in the United Arab Emirates takes this form. On the other hand, less than 5% of TEA in the Republic of Korea, and 6% in Poland and Madagascar, co-own and co-manage with family.

It is uncommon for entrepreneurs to co-own, but not co-manage, with family. Many economies did not show evidence of this form (Thailand, Puerto Rico, Bulgaria, United Kingdom, Russian Federation, Cyprus, and France). The highest levels were in Argentina (18%) and Saudi Arabia (12%). It may be the case that family has an ownership stake, but minimal involvement, or is involved in a role not considered co-management—for example, part-time work or a non-managerial role. It is also possible that some of these businesses represent families in generational transition where a next generation has taken over management of a business, but both generations still co-own. This form may be considered the weakest form of family entrepreneurship because of its low involvement of family.

Figure 1.2: Total Entrepreneurial Activity (TEA) Rates in the Adult Population (18-64 Years of Age) in 48 Economies with Proportion of Family Involvement, Grouped into Four Regions



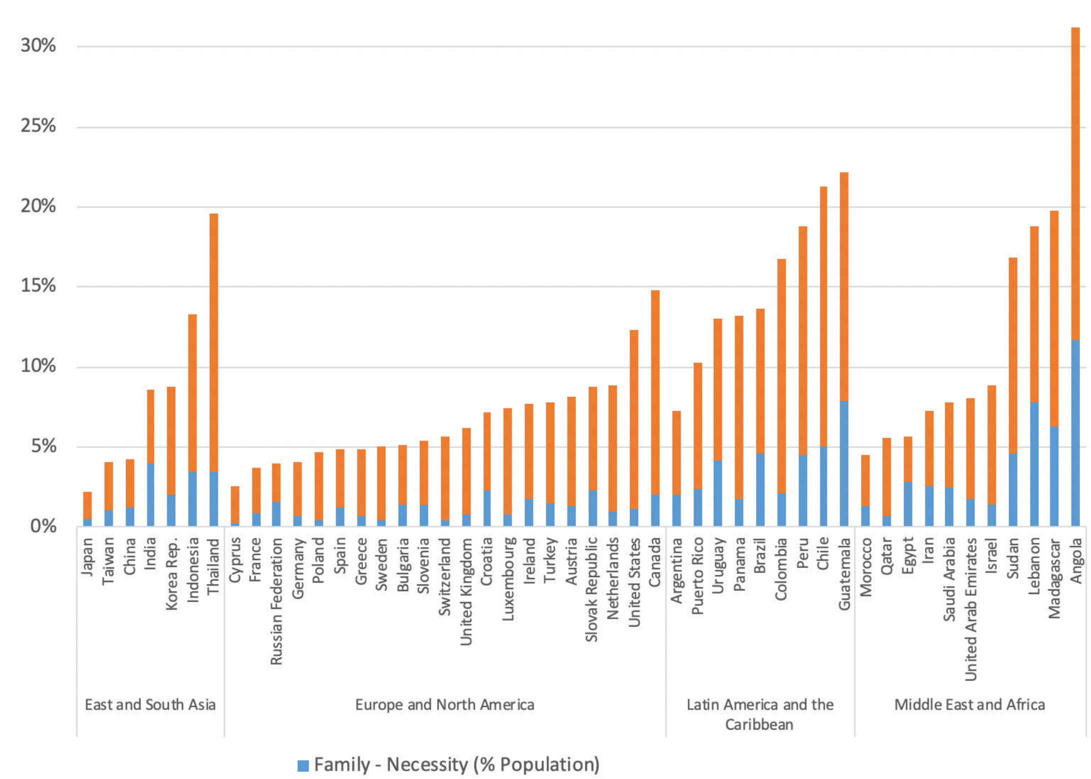
Source: Global Entrepreneurship Monitor 2018

1.3 Necessity Motives Among Entrepreneurs

Necessity motives account for a minority of entrepreneurs in most economies, but are often more prevalent in lower-income economies. For example, 50% of family entrepreneurs in Egypt, 46% in India, and 38% in Angola—all low-income economies—started their businesses because there were no better job options (Figure 1.3). Middle-income economies that include the Russian Federation, Brazil, Guatemala, Iran, and Lebanon report at least one-third of family entrepreneurs with necessity motives. Conversely, the high-income economies of Poland, Sweden, Switzerland, Luxembourg, Netherlands and the United States report necessity motives for 10% or less among family entrepreneurs.

For economies where there are few opportunities to earn sufficient wages, people often start businesses to create their own source of income, and these results show that they also involve other family members. This suggests that, where necessity is prevalent, entrepreneurial individuals provide for their families not only by generating income with their businesses, but also by giving jobs to family members. In addition to providing jobs for family through entrepreneurship, it also appears that entrepreneurs rely on family members to get their businesses started.

Figure 1.3: Family Total Entrepreneurial Activity (TEA) Rates Showing the Proportion of Necessity-Motivated TEA in the Adult Population (18-64 Years of Age) in 48 Economies



Source: Global Entrepreneurship Monitor 2018

2.1 Rates of Family Involvement in Established Business Activity

Given high rates of family participation in the startup phase, one may question whether these businesses continue to involve family as they mature, or whether family participation increases the likelihood of remaining in business over time. GEM data collection allows analysis of the established business phase and comparison with the entrepreneurial phase. The results reveal increased importance of family in the established business phase. Among established business owners, 81% on average (unweighted) across the 48 economies involve family in their businesses compared to 75% among entrepreneurs.

Established business ownership rates are typically lower than TEA rates, as not all startup efforts will lead to mature business activity. However, these indicators may shift over time, and changes in TEA may impact established business ownership in later years. But like TEA, established business rates fluctuate considerably around the world, and so does family involvement, as Figure 2.1 reveals.

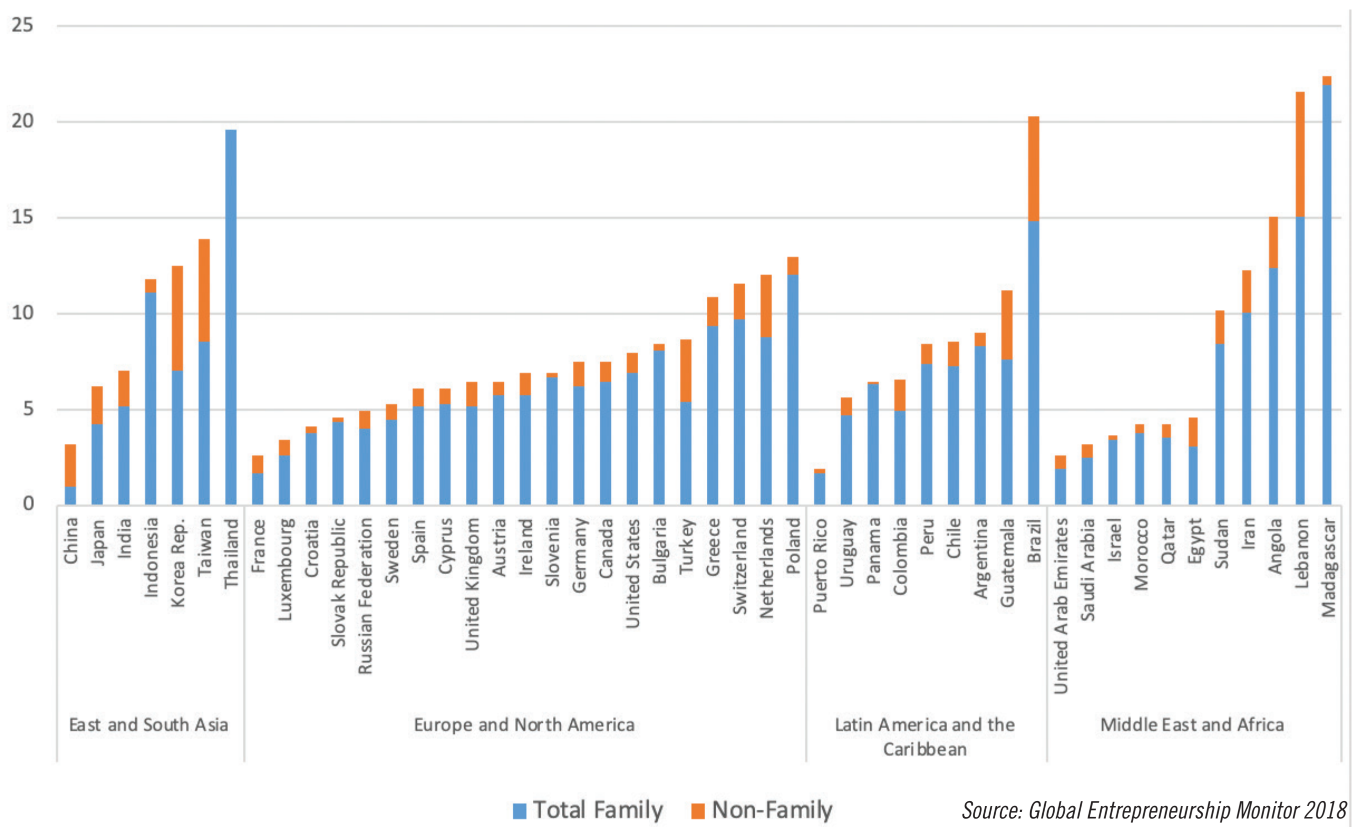
The proportion of family involvement in established business ownership in East and South Asia shows similarities to what is observed with TEA. All established business owners in Thailand and 94% in Indonesia indicated they involve family. On the other hand, family participation accounted for a minority of established business activity in China (30%) and just 56% in the Republic of Korea and 61% in Taiwan.

In Europe, high proportions of family involvement (over 90%) have less impact because of low established business rates, such as in Croatia and the Slovak Republic. But Poland, with high levels of established business ownership, and in which 92% includes family, demonstrates the extent to which family business activity contributes to the economy. The Netherlands and Turkey are examples of countries with high or moderate family established business rates, but with less than three-fourths family participation.

Most notable in Latin America is Brazil's high rate of established business activity. Despite lower family participation (73%) compared to other economies in the region, family business appears to play a key role in the economy, accounting for 15% of the adult population. Family involvement is proportionately high in Argentina (92%), and accounts for nearly all established business activity (99%) in Panama.

In the Middle East and Africa, Figure 2.1 shows a divide between countries with low levels and high levels of established business ownership. For example, in Madagascar and Lebanon, both with established business rates of 22%, 97% of this activity involves family in Madagascar and less than 70% in Lebanon.

Figure 2.1: Established Business Rates in the Adult Population (18-64 Years of Age) in 48 Economies with Proportion of Family Involvement, Grouped into Four Regions



Source: Global Entrepreneurship Monitor 2018

2.2 Forms of Family Involvement in Established Business Activity

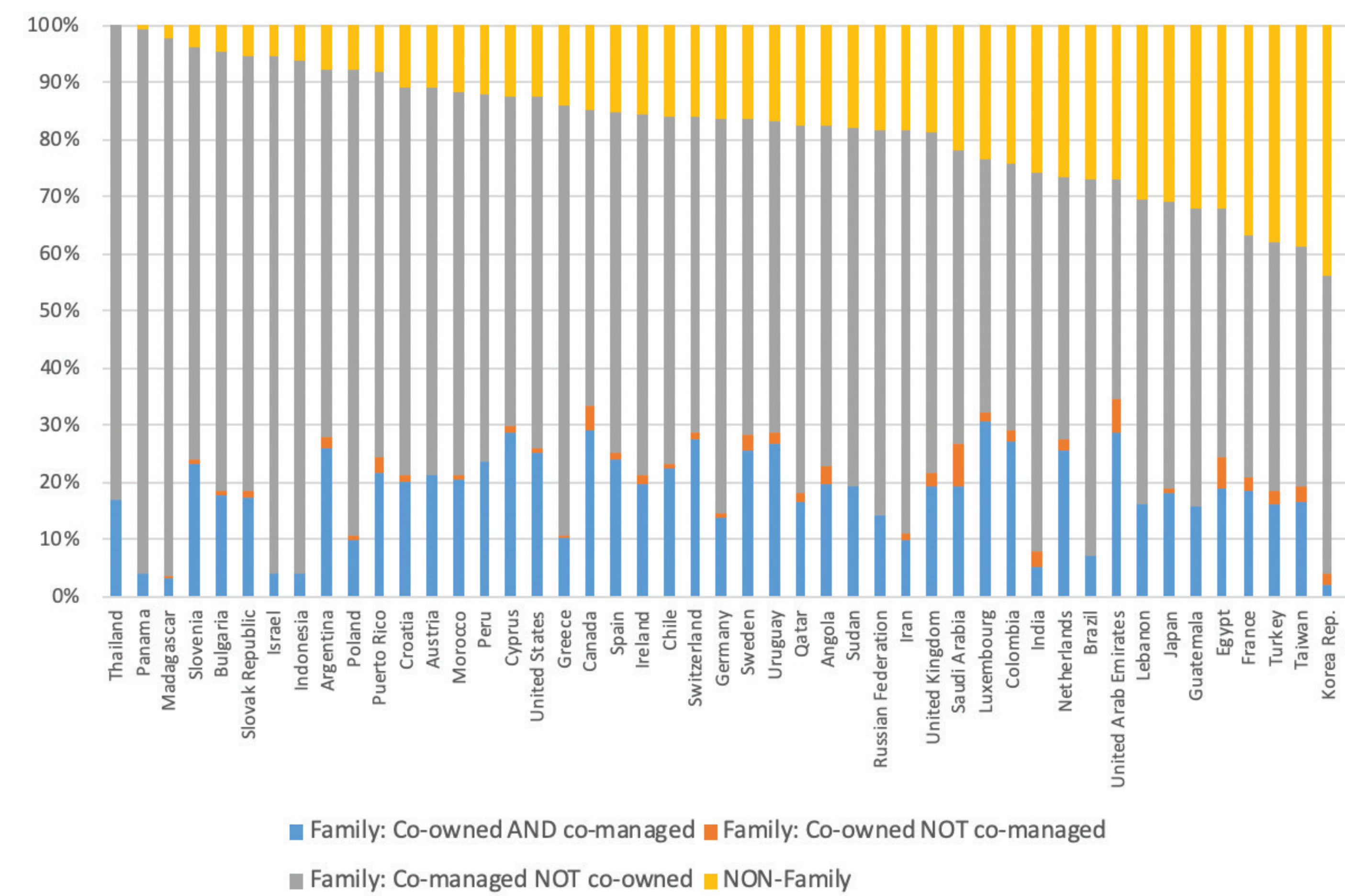
Figure 2.2 shows a breakdown of established business activity into the three forms of family participation, as well as non-family involvement. Like TEA, the most common form of family involvement is co-management without co-ownership. Close to 40% or more of established business activity in every economy involves family as co-managers but not co-owners, except in China, with only 9% of established business activity. Nearly all established business owners in Panama (95%) and Madagascar (94%) have family members managing with them, although they are either sole owners or have non-family partners.

Elisabeth Silverstein '21 and Amanda Reed, mother of Elizabeth Reed '19

The next most popular form of family involvement in established business ownership includes both co-ownership and co-management. This form accounts for around 30% of established business activity in Luxembourg, the United Arab Emirates and Canada. In contrast, it is rare in the Republic of Korea (2%) and in four other countries from different parts of the World, which show 4% or less of this form (Indonesia, Israel, Panama and Madagascar).

Family co-ownership without co-management is rare, accounting for just under 7% of established business activity in China at the highest. In many countries, there is no indication of this form (Thailand, Indonesia, Panama, Peru, Guatemala, Israel, Lebanon, Sudan, and the Russian Federation).

Figure 2.2: Forms of Family Involvement, and Non-Family Involvement, as a Percentage of Established Business Activity in 48 Economies, Grouped into Four Regions



Source: Global Entrepreneurship Monitor 2018

2.3 Comparison of Family Involvement in TEA and Established Business Activity

On average (unweighted), across the 48 economies, 12.8% of the adult population is starting or running new businesses and 8.5% is running established businesses. Because of the lagged relationship between business startups and the later mature phase, major increases or decreases in TEA are not reflected in established business activity the same year. In most economies, comparatively fewer people are running established businesses. There are cases, however, where people have been running businesses for a long period of time, resulting in a high rate compared to those starting and running businesses less than 3½ years old.

Proportionately, family involvement in established business activity is more common than in the startup phase, as Table 1 shows. This is almost entirely due to more established business owners co-managing but not co-owning with family, a 15% greater likelihood compared with TEA. Whether this form tends to persist beyond startup, or whether owners later bring in family to help co-manage with them, it illustrates the importance of family throughout the phases of business activity. It might be assumed that entrepreneurs utilize family in the startup phase primarily because family is an accessible and potentially inexpensive source of labor. As the data indicate, utilization of family continues and even increases in later stages, suggesting established business owners continue to see benefits of family involvement much later in the process.

Table 1: Averages for Forms of Family Involvement, and Non-Family Involvement across 48 Economies, as a Percentage of TEA and Established Business Activity.

	Family: Co-owned and co-managed	Family: Co-owned, not co-managed	Family: Co-managed, not co-owned	Non-Family	Family Total
TEA	19.0%	2.3%	53.6%	25.1%	74.9%
Established business activity	18.1%	1.7%	61.5%	18.8%	81.3%

The relationship between the percentage of family-involved TEA and established business activity shows very few cases where there is a higher proportion of family participating in TEA than in established business activity (China, Guatemala, Lebanon, and the Republic of Korea).

The majority have equal or higher proportions of family-involved established business owners compared to TEA, particularly in Japan, Taiwan, Cyprus, Slovak Republic, Morocco and Qatar (see Figure 2.3).

Figure 2.3: Family Involvement as a Percentage of Total Entrepreneurial Activity (TEA) and Established Business Activity in 48 Economies, Grouped into Four Regions

Source: Global Entrepreneurship Monitor 2018

Chapter 3: Job Creation in Family Entrepreneurship and Established Business Ownership

3.1 Family Employees

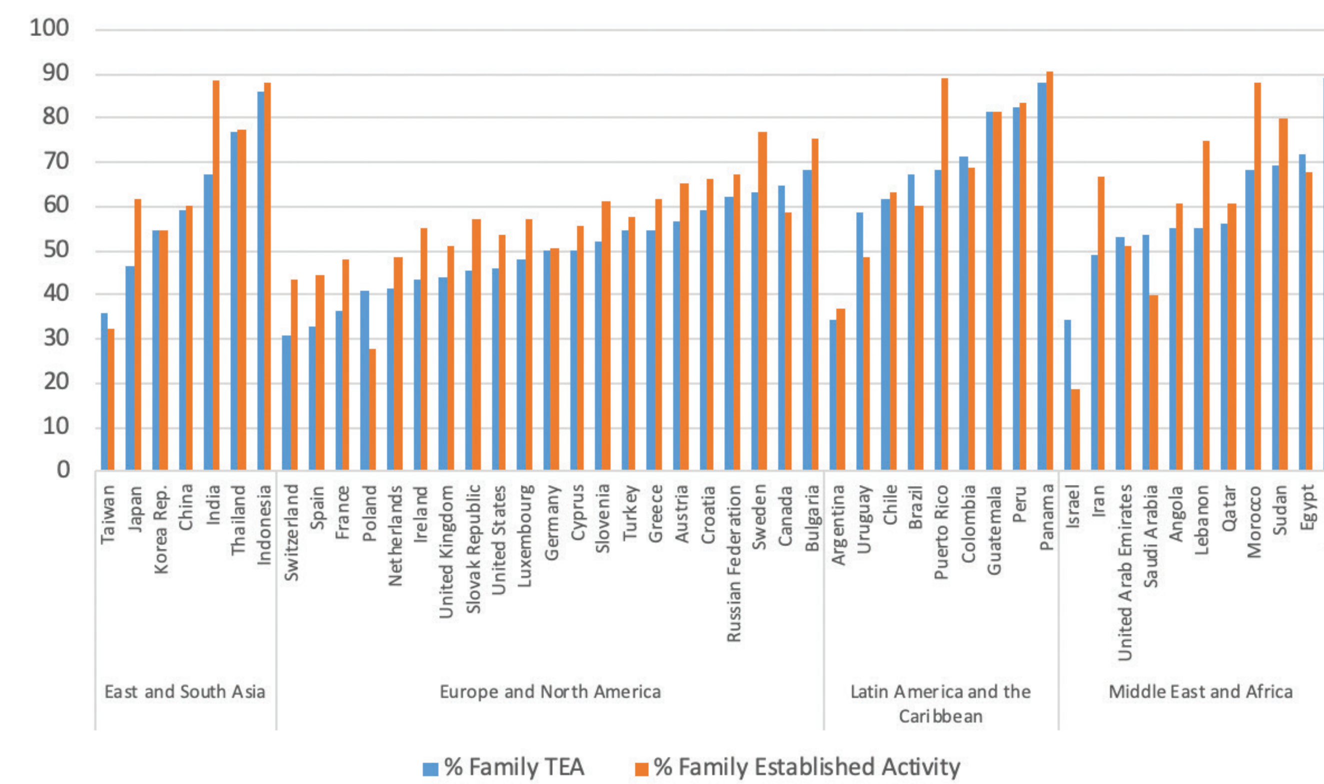
Family entrepreneurs and business owners may involve family as co-owners and/or co-managers, and they may also hire family members to work in their businesses. Across the 48 economies, 57% of family entrepreneurs, on average (unweighted), expect that the majority of their employees over the next five years will be family members. These expectations reflect closely the actual employment situation in the mature phase. Among established business owners, 62% state that the majority of their employees are family members.

In Indonesia, Thailand, Panama, Peru, Guatemala and Madagascar, over three-fourths of family entrepreneurs state they expect that the majority of their employees will be family members. In these economies, as well as in India, Sweden, Bulgaria, Puerto Rico, Lebanon, Morocco, and Sudan, three-fourths or more of family established business owners currently employ primarily family members in their businesses.

These results, shown in Figure 3.1, illustrate the importance of family entrepreneurship and business ownership in providing income, not only for entrepreneurs and business owners, but also for their families. In addition, it is notable that, in most of the economies, established business owners are as likely as, or more likely than entrepreneurs to hire primarily family members. This suggests longer-term employment benefits for family members. Overall, family members play a key role in both the startup phase and in mature businesses.

> **“There was conversation all the time with parents, grandparents, aunts and uncles about business and what was going on. Business became part of the everyday discussion, especially around the dinner table.** It became ingrained in our way of life.”
>
> **– Barber Family**
> Mainely Burgers

Figure 3.1: Percentage of Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity with Family Representing the Majority of Employees in 48 economies



Source: Global Entrepreneurship Monitor 2018

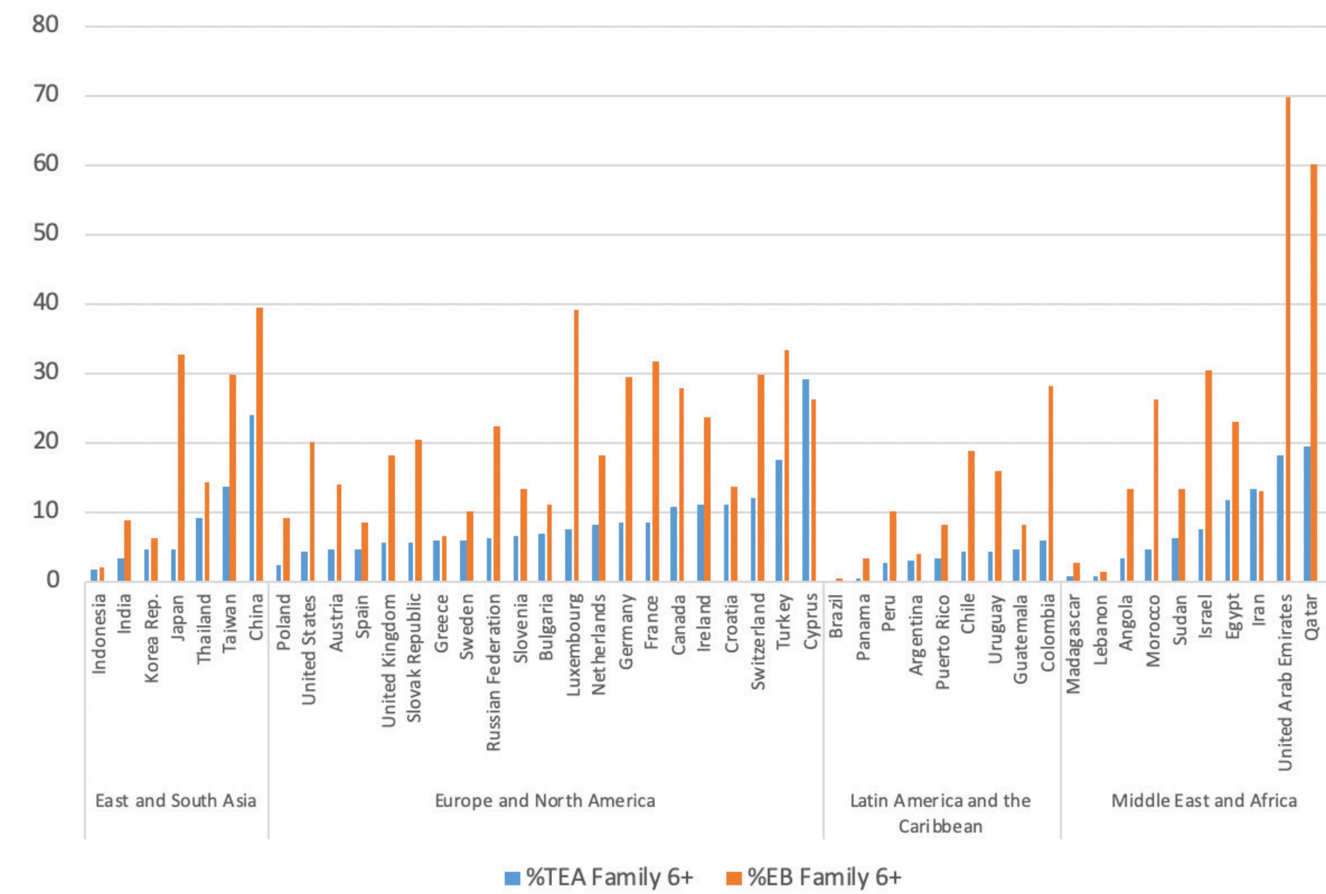
3.2 Current Employment Levels

Further evidence on the employment impact of family entrepreneurs and established business owners can be seen in Figure 3.2. The data does not provide detail on the breakdown of employees by family or non-family. However, Figure 3.1 shows that in most economies, a high proportion of family entrepreneurs and established business owners stated that the majority of their prospective or current employees are family members. It may therefore be assumed that much of the employment occurs within families.

A notable finding here is that family entrepreneurs and established business owners contribute substantially to employment in many economies. In China, Cyprus and Saudi Arabia, more than one-fifth of family entrepreneurs had more than five employees, showing the immediate value entrepreneurs provide to their societies. On average (unweighted) across the 48 economies, nearly 8% of family entrepreneurs have already, in this early stage, employed more than five people in their businesses.

The employment impact is even greater among family established business owners, where 20% employ more than five people. Compared to family entrepreneurs, there is a higher proportion of family established business owners with more than five employees in nearly all of the economies. This is most evident in three Middle East countries—the United Arab Emirates, Qatar and Saudi Arabia—where close to 60% or more of established business owners have more than five employees.

Figure 3.2: Percentage of Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity with Six or More Employees in 48 Economies



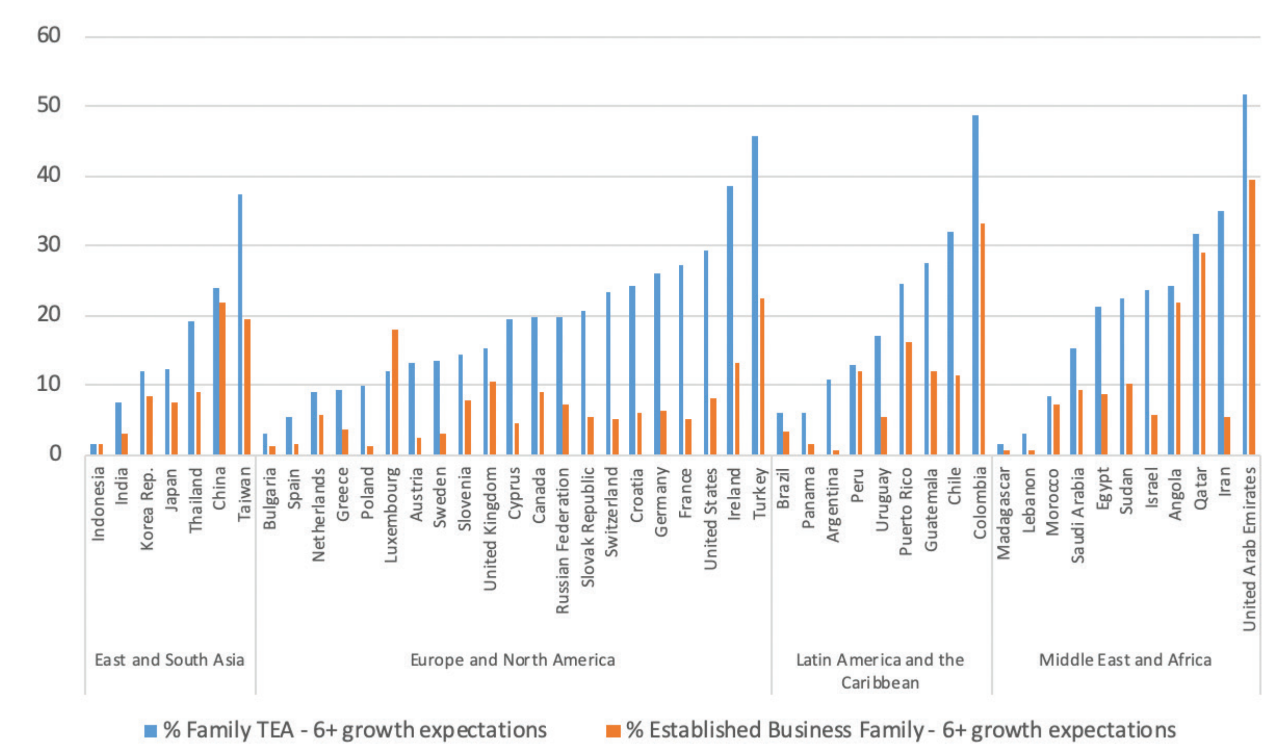
Source: Global Entrepreneurship Monitor 2018

3.3 Growth Aspirations

With regard to future employment prospects, it is no secret that entrepreneurs, in their earliest phase, are highly optimistic. Established business owners, on the other hand, have not only survived beyond 3½ years, but also have created a track record on which to base their predictions. In this respect, their projections may be more reliable. Realistically, it is likely that many entrepreneurs will not achieve their goals over the long term, and some will not survive. However, growth projections offer a snapshot of entrepreneurial ambitions, and it is highly likely that those who have actually grown their businesses had prior aspirations to do so.

Figure 3.2 shows that family established business owners are more likely to have more than five employees than are family entrepreneurs, and Figure 3.3 shows the opposite pattern. On average (unweighted) across the 48 economies, 19.5% of family entrepreneurs expect to hire more than five new employees, and 9.5% of family established business owners make this prediction. Of course, entrepreneurs have not yet built up their businesses while established business owners are in a stable phase and less likely to project further growth. Nonetheless, many economies show high growth intentions among established business owners. For example, more than one-fourth of business owners in the United Arab Emirates, Qatar and Colombia expect to hire more than five employees in the next five years.

Figure 3.3: Percentage of Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity Expecting to Hire Six or More New Employees in the Next Five Years, in 48 Economies



Source: Global Entrepreneurship Monitor 2018

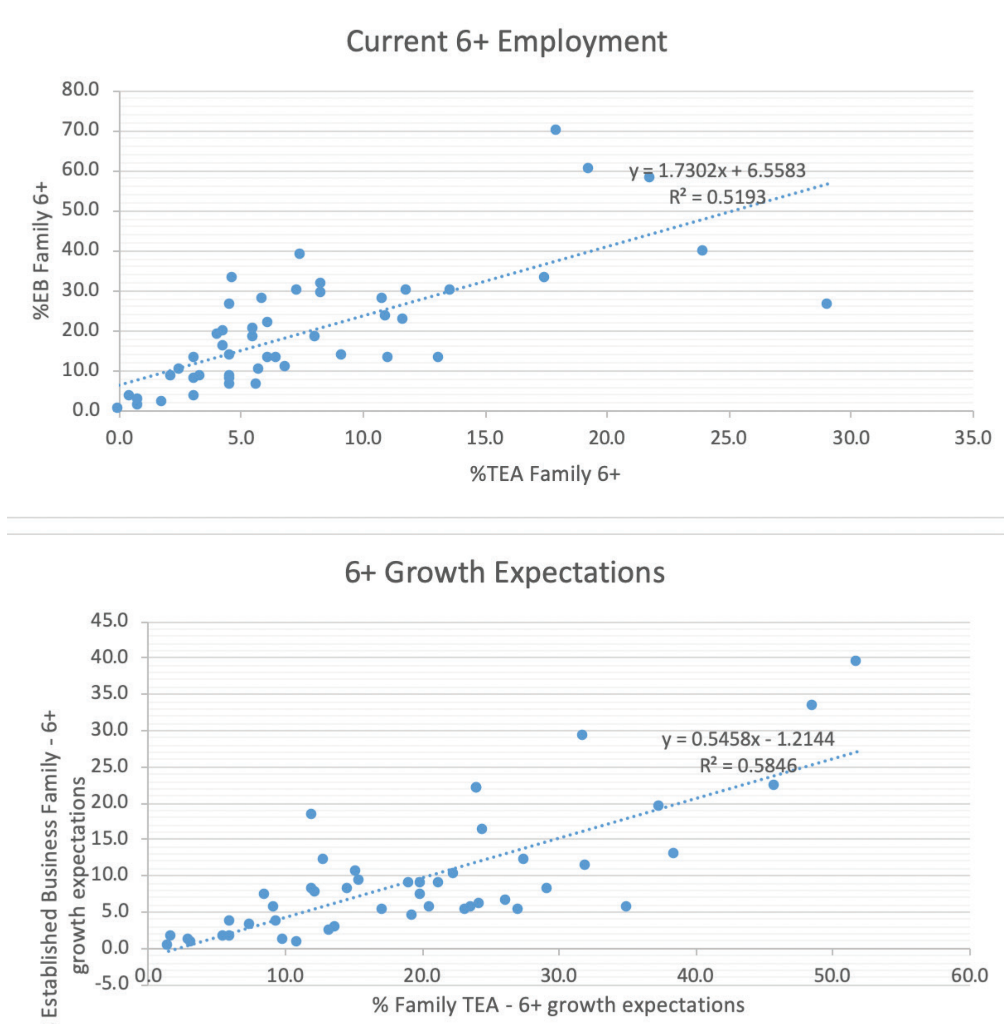
"Since 2013, our family has been working toward creating a governance plan, allowing future generations to take part in the decision making of the family business. Creating a formal framework has minimized potential conflicts while building trust among all generations. Trust, alongside a well prepared third generation, has enabled us to act entrepreneurially, as **we have been given responsibilities and positions that allow us to make a difference inside and outside our family business."**

– Faraj Family
Grupo Financiero Ficohsa

3.4 The Relationship Between Entrepreneurs and Established Business Owners Relative to Current and Expected Employment Levels

The results shown in Figure 3.4 suggest that economies that have high proportions of family entrepreneurs with more than five current employees also will have family established business owners with this level of current employment. A similar strong relationship can be seen with growth expectations. This indicates that, where conditions enable high employment levels and growth, this occurs across business phases.

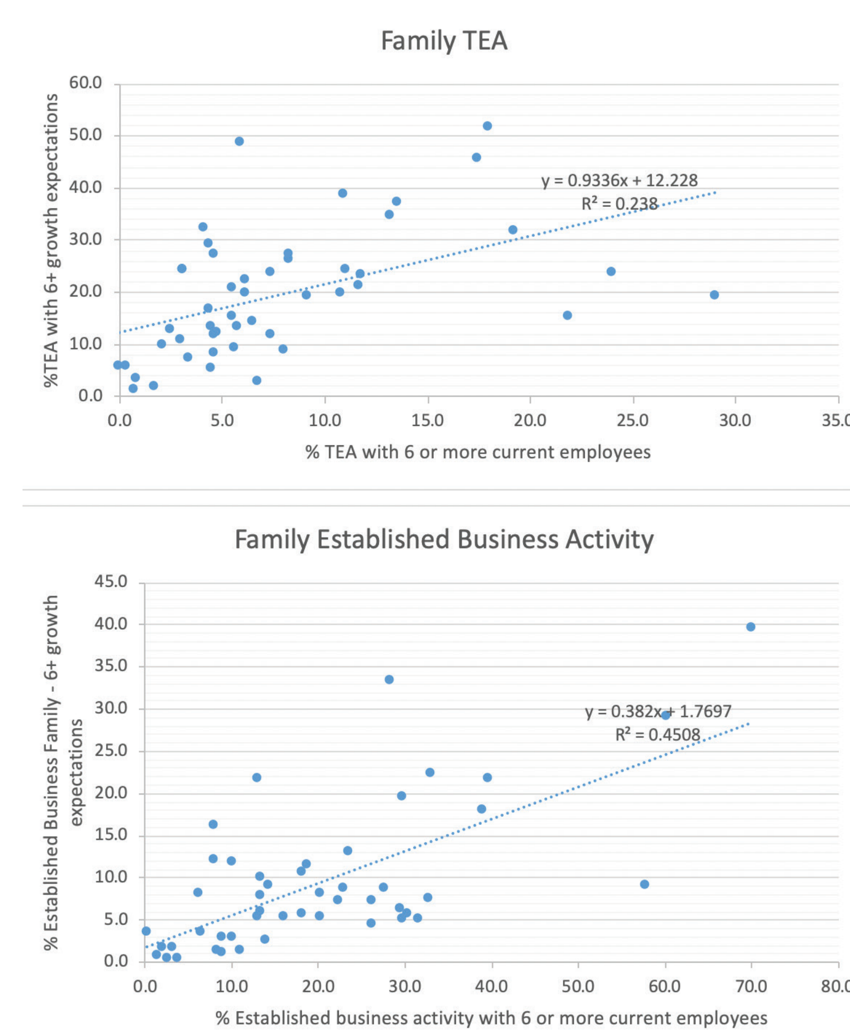
Figure 3.4: Relationship between Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity for Current and Expected 6+ Employment, in 48 Economies



3.5 The Relationship Between Current and Expected Employment Levels for Entrepreneurs and Established Business Owners

Another interesting relationship exists for current and expected employment. Economies with a relatively high proportion of entrepreneurs and established business owners with more than five current employees show high job creation expectations, and vice versa. Figure 3.5 shows this relationship, with a stronger association for established business owners. For entrepreneurs, it suggests that those who start small are more likely to stay small, whereas those who start with employees are more likely to aspire to grow.

Figure 3.5: Relationship between Current and Expected 6+ Employment for Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity, in 48 Economies



Source: Global Entrepreneurship Monitor 2018

4.1 Market Innovations Among Entrepreneurs and Established Business Owners

Entrepreneurs and business owners who introduce products and services that are new to customers are considered innovative in a market. As Figure 4.1 shows, market innovation levels are high among family entrepreneurs in most economies. On average (unweighted) across the 48 economies, 41.6% of family entrepreneurs and 30.6% of family established business owners have products or services that are innovative in the market. Small numbers of non-family entrepreneurs and established business owners make comparison difficult. However, it appears that the innovativeness of those with family involvement is generally on a par with the innovativeness of those identified as non-family.

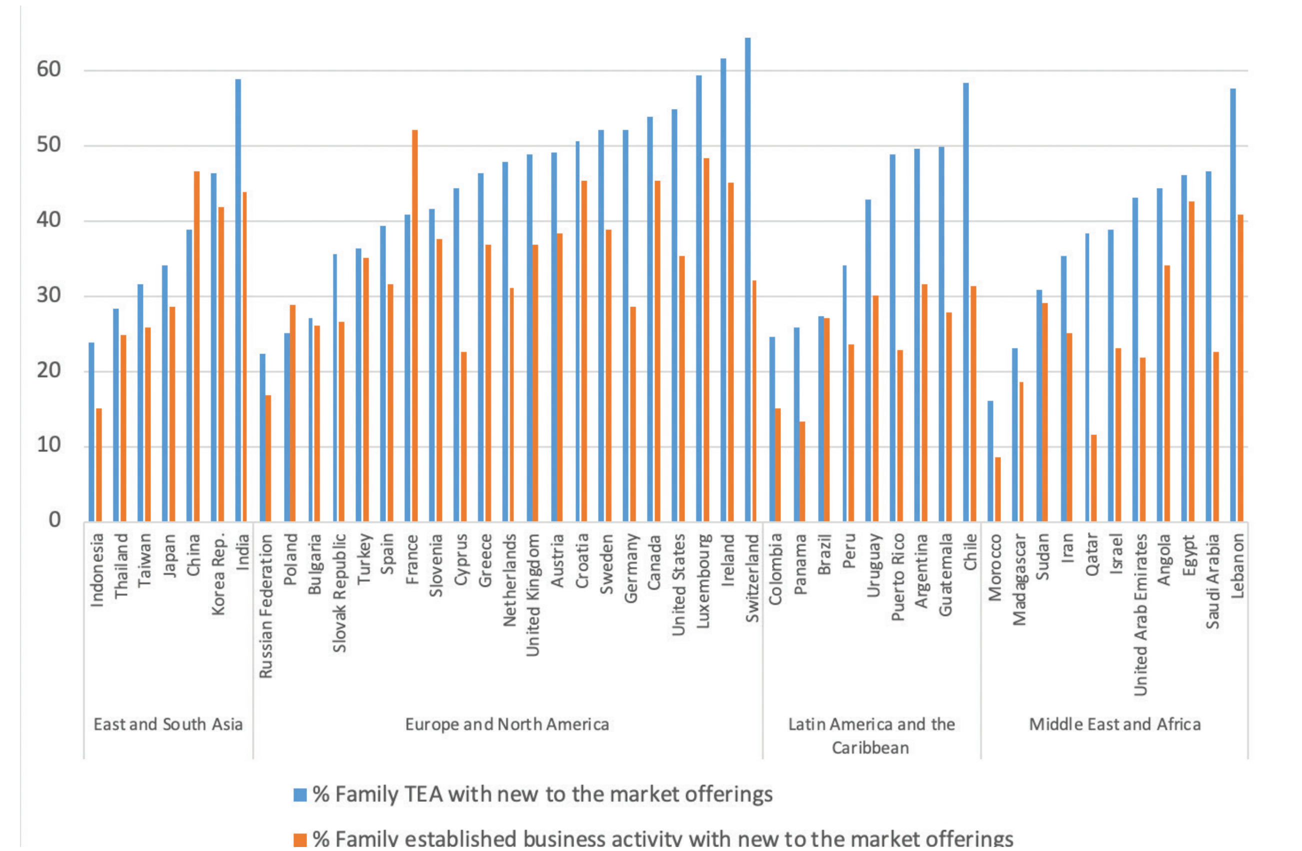
Jaqueline Wachsberg '19, Kaan Ozkok '20

Marc Camus, Cyril Camus '91

Fifty percent of economies in Europe and North America report that nearly half or more of family entrepreneurs state they are introducing market innovations. In Latin America and the Caribbean, Chile, Guatemala, Argentina and Puerto Rico report this level of innovativeness. In East and South Asia and in the Middle East and Africa, only India and Lebanon show over half of entrepreneurs with market innovations.

Market innovation is less common among established business owners. Their products or services may have been innovative when they started their businesses, but may now be considered familiar to customers in their mature phase. Many established business owners may be able to sustain viability with familiar offerings, yet this result may reveal a need for established business owners to continue innovating to stay competitive. Still, it is noteworthy that half of economies report that 30% or more of established business owners have products or services that are new to customers.

Figure 4.1: Percentage of Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity with New-to-Market Offerings, in 48 Economies



Source: Global Entrepreneurship Monitor 2018

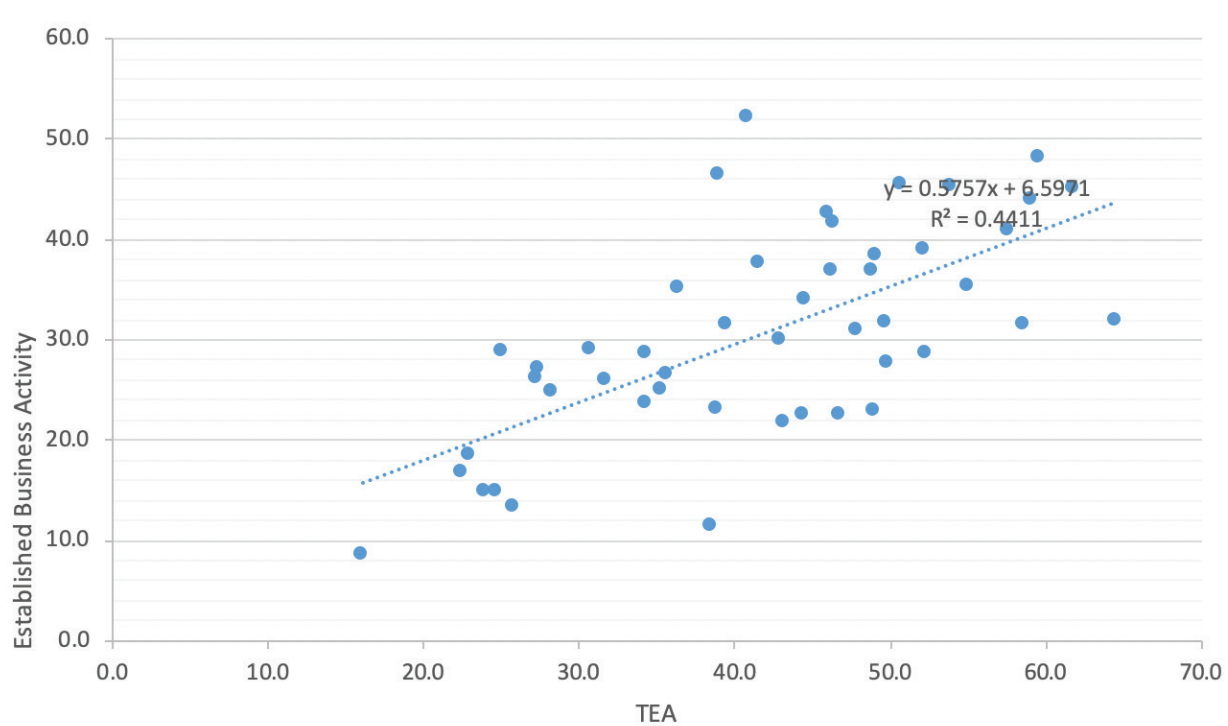
> **"Our dad was an entrepreneur so it was instilled in us from a young age and both of us always knew that we'd eventually want to start our own businesses.** Though, we don't know if we always knew we would do so together. We were so different growing up, and continue to be today, which has helped us work really well together."
>
> **– Heath Family**
> Bombas

4.2 The Relationship Between Entrepreneurship and Established Business Activity Relative to Level of Market Innovation

Family established business owners are less likely than family entrepreneurs to report innovative offerings for their markets. Once a family business has established some wealth, it may be likely that families will protect it rather than risk it. This can also be true in other contexts, like large corporations, which often become less innovative over time. Various stakeholders have different reasons for preferring lower levels of innovation in a company. Shareholders, for example, will not want to risk their investment, and employees may resist innovations that could displace their expertise or authority. The dynamic in a family business may reveal similar results, but additional research is needed to understand family motivations for innovation.

However, as Figure 4.2 shows, there is a relationship between these two phases. Economies with a high proportion of innovative entrepreneurs are also likely to have a high proportion of innovative established business owners. This suggests that relative innovation seems to be general to an economy, even given the decline from TEA to established business phase.

Figure 4.2: Relationship Between Percentage of Family Total Entrepreneurial Activity (TEA) and Family Established Business Activity with New-to-Market Offerings, in 48 Economies



"At each generation, the management and the shareholding of the company has been concentrated in the hands of one family member only, with a mandate to grow the company as the only way to finance the family buyout. In those circumstances, you could say **we are a company that has been built up through five generations of entrepreneurs.**"

– Cyril Camus
Camus Cognac

Conclusion

The GEM Family Entrepreneurship Report brings important evidence to the study of family entrepreneurship. The report found that: across 48 economies, comprising a total sample of over 150,000 adults, 75% of entrepreneurs and 81% of established business owners co-own and/or co-manage their businesses with family members (unweighted averages). Given this finding, a number of issues are worth considering for policymakers, practitioners and educators involved in the development of entrepreneurship and entrepreneurial activity.

For policymakers, given that families play a major role in business creation and are responsible for considerable job creation and stable employment, it is critical to support the entrepreneurial ambitions and business sustainability of families. Most government policies have focused on individuals, or on the broader context of institutional frameworks that support an entrepreneurial ecosystem (for example, entrepreneurial finance, government policy and programs, knowledge transfer, and entrepreneurship education). It would be worth considering what policies and programs might help entrepreneurial families develop and sustain their businesses.

In addition, entrepreneurial development at the level of the family should consider the expertise, skills, ambitions, and effort of the family as a whole, rather than focus on one specific individual. Focusing on the family may increase rates of entrepreneurial activity and the sustainability of ongoing businesses, as families bring greater trust, capital, effort and resources to business creation and business development.

Implications for practitioners would suggest that there should be a focus on families and their influence on the entrepreneurial process, not just on individual entrepreneurs and the broader entrepreneurial ecosystem. An important way this might occur is to create networks among family entrepreneurs that could generate knowledge, skills and capabilities to enable families to engage in entrepreneurship. In addition, resources and support provided to entrepreneurs can and should be expanded to include the families of current and future entrepreneurs.

For educators focused on entrepreneurship, it is important to include the family as a critical resource for any entrepreneurship curriculum, as well as programs to support entrepreneurial experimentation and practical learning that occur at the level of the family, rather than solely at the level of the individual. For example, the Institute for Family Entrepreneurship at Babson College has developed a wide range of programs such as the Family Entrepreneurship Amplifier, which engages the entire family in developing the family's entrepreneurial competencies, so that as a family, entrepreneurship can be developed and sustained from one generation to another.

For researchers, this family-focused GEM data offers a wealth of research opportunities. For example, are entrepreneurs or established business owners (whose employees are, or are expected to be, primarily family members) also high-growth oriented? Is co-ownership or co-management a better predictor of innovation for family entrepreneurship? Do culture, governmental policies and regulations, and a wide variety of societal characteristics, affect family entrepreneurial efforts?

Additionally, the insight that entrepreneurship across the world is primarily family-based, should challenge entrepreneurship researchers to consider family characteristics and family issues in any study on the development of entrepreneurship. Characteristics and behaviors of families may matter more to entrepreneurship than characteristics and behaviors of individuals.

Finally, for many economies featured in this report, the number of non-family entrepreneurs and established business owners was too small to make comparisons with those involving family. However, this area presents an opportunity for research that aggregates data globally or across economies based on geographic regions, economic development levels, or other characteristics.

With this report, GEM has provided concrete evidence that entrepreneurship across the world is family entrepreneurship!

Appendix

Appendix Table 1: Percentage of Total Entrepreneurial Activity with Three Forms of Family Involvement

Income Level	Region	Economy	Family: Co-owned and Co-managed	Family: Co-owned, not Co-managed	Family: Co-managed, not Co-owned	Family Total	Non-Family
low	Middle East/Africa	Angola	19.9	2.6	54.7	77.2	23.0
high	Latin America/Caribbean	Argentina	9.9	18.1	52.2	80.2	19.8
high	Europe/North America	Austria	17.6	3.2	53.7	74.5	25.5
middle	Latin America/Caribbean	Brazil	10.7	0.3	65.1	76.1	23.6
middle	Europe/North America	Bulgaria	26.7	0.0	59.2	85.9	14.2
high	Europe/North America	Canada	23.0	1.8	54.3	79.1	21.2
high	Latin America/Caribbean	Chile	30.8	1.9	52.2	84.9	15.1
middle	East and South Asia	China	25.0	4.1	11.8	40.9	59.1
middle	Latin America/Caribbean	Colombia	39.7	2.5	36.7	78.9	21.0
high	Europe/North America	Croatia	19.8	1.6	53.1	74.5	25.5
high	Europe/North America	Cyprus	14.3	0.0	51.9	66.2	32.5
low	Middle East/Africa	Egypt	19.6	2.4	35.2	57.2	42.8
high	Europe/North America	France	14.1	0.0	46.7	60.8	39.1
high	Europe/North America	Germany	15.2	2.9	63.8	81.9	18.1
high	Europe/North America	Greece	16.5	1.6	59.1	77.2	22.8
middle	Latin America/Caribbean	Guatemala	28.8	1.2	50.6	80.6	19.5
low	East and South Asia	India	8.6	1.3	65.1	75.0	25.0
low	East and South Asia	Indonesia	9.2	0.2	85.3	94.7	5.5
middle	Middle East/Africa	Iran	18.7	2.3	53.9	74.9	24.8
high	Europe/North America	Ireland	21.8	0.5	57.5	79.8	20.2
high	Middle East/Africa	Israel	21.0	0.9	58.9	80.8	18.7
high	East and South Asia	Japan	8.3	0.9	32.1	41.3	59.6
high	East and South Asia	Korea Rep.	4.8	4.1	50.9	59.8	40.3
middle	Middle East/Africa	Lebanon	17.2	0.6	60.0	77.8	22.2
high	Europe/North America	Luxembourg	20.9	3.3	45.6	69.8	30.2
low	Middle East/Africa	Madagascar	6.2	0.2	89.0	95.4	4.7

Appendix Table 1: Percentage of Total Entrepreneurial Activity with Three Forms of Family Involvement (cont.)

Income Level	Region	Economy	Family: Co-owned and Co-managed	Family: Co-owned, not Co-managed	Family: Co-managed, not Co-owned	Family Total	Non-Family
low	Middle East/Africa	Morocco	13.9	1.7	52.8	68.4	31.2
high	Europe/North America	Netherlands	20.8	2.3	49.1	72.2	27.3
high	Latin America/Caribbean	Panama	10.5	0.4	84.5	95.4	4.7
middle	Latin America/Caribbean	Peru	23.0	0.6	60.3	83.9	15.9
high	Europe/North America	Poland	5.7	0.5	83.5	89.7	10.3
high	Latin America/Caribbean	Puerto Rico	28.4	0.0	59.9	88.3	12.1
high	Middle East/Africa	Qatar	22.4	4.6	38.4	65.4	35.2
middle	Europe/North America	Russian Fed.	10.8	0.0	61.3	72.1	28.8
high	Middle East/Africa	Saudi Arabia	21.7	11.8	31.0	64.5	35.5
high	Europe/North America	Slovak Republic	18.2	0.4	54.1	72.7	27.3
high	Europe/North America	Slovenia	16.5	1.6	66.9	85.0	15.0
high	Europe/North America	Spain	15.8	1.8	58.7	76.3	23.6
low	Middle East/Africa	Sudan	23.0	3.4	49.5	75.9	24.1
high	Europe/North America	Sweden	21.2	2.7	50.0	73.9	26.2
high	Europe/North America	Switzerland	26.6	4.3	46.0	76.9	22.3
high	East and South Asia	Taiwan	16.3	5.3	21.1	42.7	56.9
middle	East and South Asia	Thailand	23.7	0.0	76.0	99.7	0.2
middle	Europe/North America	Turkey	21.7	2.6	30.1	54.4	45.5
high	Middle East/Africa	United Arab Emirates	35.8	7.0	32.6	75.4	25.1
high	Europe/North America	United Kingdom	9.9	0.0	64.9	74.8	25.2
high	Europe/North America	United States	22.8	1.0	55.2	79.0	21.1
high	Latin America/Caribbean	Uruguay	33.3	1.6	48.4	83.3	16.7
		AVERAGE (unweighted)	**19.0**	**2.3**	**53.6**	**74.9**	**25.1**

Appendix Table 2: Percentage of Established Business Activity with Three Forms of Family Involvement

Income Level	Region	Economy	Family: Co-owned and Co-managed	Family: Co-owned, not Co-managed	Family: Co-managed, not Co-owned	Family Total	Non-Family
low	Middle East/Africa	Angola	19.7	3.3	59.5	82.6	17.8
high	Latin America/Caribbean	Argentina	26.0	2.2	64.1	92.3	7.7
high	Europe/North America	Austria	21.2	0.3	67.6	89.1	10.9
middle	Latin America/Caribbean	Brazil	7.1	0.2	65.9	73.2	26.8
middle	Europe/North America	Bulgaria	18.0	0.6	77.2	95.8	4.8
high	Europe/North America	Canada	29.4	4.4	52.2	86.0	14.7
high	Latin America/Caribbean	Chile	22.6	0.6	60.9	84.1	15.7
middle	East and South Asia	China	14.6	6.8	8.7	30.1	70.9
middle	Latin America/Caribbean	Colombia	27.1	2.3	46.6	75.9	24.1
high	Europe/North America	Croatia	20.5	1.2	68.7	90.4	10.8
high	Europe/North America	Cyprus	28.7	0.8	57.4	86.9	12.3
low	Middle East/Africa	Egypt	19.1	5.2	43.5	67.8	32.2
high	Europe/North America	France	18.4	2.6	42.1	63.2	36.8
high	Europe/North America	Germany	13.8	0.9	68.6	83.3	16.4
high	Europe/North America	Greece	10.2	0.5	75.5	86.1	13.9
middle	Latin America/Caribbean	Guatemala	15.7	0.0	52.3	68.0	32.0
low	East and South Asia	India	5.2	2.8	66.6	74.5	25.9
low	East and South Asia	Indonesia	4.1	0.0	89.8	94.0	6.0
middle	Middle East/Africa	Iran	9.9	1.0	70.9	81.9	18.4
high	Europe/North America	Ireland	19.7	1.5	62.8	83.9	15.3
high	Middle East/Africa	Israel	4.1	0.0	90.4	94.5	5.5
high	East and South Asia	Japan	18.1	0.8	49.6	68.5	30.7
high	East and South Asia	Korea Rep.	2.0	2.0	52.0	56.0	43.6
middle	Middle East/Africa	Lebanon	16.2	0.0	53.5	69.7	30.3
high	Europe/North America	Luxembourg	30.9	1.5	44.1	76.5	23.5
low	Middle East/Africa	Madagascar	3.3	0.2	94.1	97.6	2.4

Appendix Table 2: Percentage of Established Business Activity with Three Forms of Family Involvement (cont.)

Income Level	Region	Economy	Family: Co-owned and Co-managed	Family: Co-owned, not Co-managed	Family: Co-managed, not Co-owned	Family Total	Non-Family
low	Middle East/Africa	Morocco	20.5	0.7	67.1	88.4	11.6
high	Europe/North America	Netherlands	25.7	1.9	45.7	73.3	26.7
high	Latin America/Caribbean	Panama	3.9	0.0	95.3	99.2	0.8
middle	Latin America/Caribbean	Peru	23.6	0.0	64.4	87.9	12.1
high	Europe/North America	Poland	9.8	0.9	81.4	92.1	7.9
high	Latin America/Caribbean	Puerto Rico	21.6	2.7	67.6	91.9	8.1
high	Middle East/Africa	Qatar	16.5	1.8	64.2	82.6	17.4
middle	Europe/North America	Russian Fed.	14.3	0.0	67.3	81.6	18.4
high	Middle East/Africa	Saudi Arabia	19.2	7.2	51.2	77.6	21.6
high	Europe/North America	Slovak Republic	17.4	1.1	76.1	94.6	5.4
high	Europe/North America	Slovenia	23.4	0.7	72.3	96.4	3.6
high	Europe/North America	Spain	24.0	1.4	59.4	84.8	15.2
low	Middle East/Africa	Sudan	19.6	0.0	62.7	82.4	18.1
high	Europe/North America	Sweden	25.9	2.5	55.7	84.1	16.4
high	Europe/North America	Switzerland	27.6	1.4	55.3	84.3	16.1
high	East and South Asia	Taiwan	16.7	2.9	41.8	61.4	38.9
middle	East and South Asia	Thailand	17.1	0.0	82.9	100.0	0.0
middle	Europe/North America	Turkey	16.2	2.4	43.3	61.9	37.6
high	Middle East/Africa	United Arab Emirates	29.4	5.9	39.2	74.5	27.5
high	Europe/North America	United Kingdom	19.3	2.4	59.6	81.3	18.9
high	Europe/North America	United States	25.1	0.9	61.1	87.2	12.3
high	Latin America/Caribbean	Uruguay	26.7	2.2	54.4	83.3	16.7
		AVERAGE (unweighted)	**18.1**	**1.7**	**61.5**	**81.3**	**18.8**

Appendix

Appendix Table 3: Employment Characteristics of Family TEA and Established Business Activity

Income Level	Region	Economy	Majority of employees are family members: % Family TEA	Majority of employees are family members: % Family Established Activity	6+ Current Employees: % Family TEA	6+ Current Employees: % Family Established Activity	6+ Employees Expected in the next 5 years: % Family TEA: 6+ Growth Expectations	6+ Employees Expected in the next 5 years: % Family Established Business: 6+ Growth Expectations
low	Middle East/Africa	Angola	55.0	60.6	3.1	13.2	24.1	21.9
high	Latin America/Caribbean	Argentina	34.5	36.9	3.0	3.8	10.9	0.6
high	Europe/North America	Austria	56.6	65.2	4.5	13.8	13.3	2.5
middle	Latin America/Caribbean	Brazil	67.1	60.2	0.0	0.2	6.0	3.5
middle	Europe/North America	Bulgaria	68.1	75.4	6.8	11.1	3.0	1.3
high	Europe/North America	Canada	64.7	58.6	10.8	27.8	19.9	8.9
high	Latin America/Caribbean	Chile	61.7	63.4	4.1	18.7	32.0	11.4
middle	East and South Asia	China	59.3	60.1	24.0	39.5	24.0	21.8
middle	Latin America/Caribbean	Colombia	71.5	68.7	5.8	28.2	48.6	33.3
high	Europe/North America	Croatia	59.0	66.0	11.0	13.4	24.1	6.0
high	Europe/North America	Cyprus	50.3	55.6	29.1	26.2	19.3	4.5
low	Middle East/Africa	Egypt	72.0	67.6	11.6	23.0	21.2	8.8
high	Europe/North America	France	36.2	48.1	8.3	31.5	27.1	5.2
high	Europe/North America	Germany	49.9	50.4	8.2	29.4	26.2	6.4
high	Europe/North America	Greece	54.7	61.5	5.7	6.6	9.3	3.5
middle	Latin America/Caribbean	Guatemala	81.4	81.7	4.6	8.0	27.5	12.0
low	East and South Asia	India	67.2	88.7	3.3	8.8	7.5	3.0
low	East and South Asia	Indonesia	86.2	87.9	1.7	2.0	1.7	1.6
middle	Middle East/Africa	Iran	48.8	66.9	13.1	12.9	34.9	5.5
high	Europe/North America	Ireland	43.4	54.9	10.9	23.5	38.5	13.1
high	Middle East/Africa	Israel	34.2	18.8	7.3	30.4	23.7	5.8
high	East and South Asia	Japan	46.3	61.8	4.7	32.7	12.3	7.6
high	East and South Asia	Korea Rep.	54.6	54.6	4.6	6.3	12.1	8.3
middle	Middle East/Africa	Lebanon	55.2	74.8	0.8	1.3	3.2	0.7
high	Europe/North America	Luxembourg	47.8	57.2	7.4	39.0	11.9	18.1
low	Middle East/Africa	Madagascar	88.8	88.6	0.8	2.6	1.4	0.5

Appendix Table 3: Employment Characteristics of Family TEA and Established Business Activity (cont.)

Income Level	Region	Economy	Majority of employees are family members: % Family TEA	Majority of employees are family members: % Family Established Activity	6+ Current Employees: % Family TEA	6+ Current Employees: % Family Established Activity	6+ Employees Expected in the next 5 years: % Family TEA: 6+ Growth Expectations	6+ Employees Expected in the next 5 years: % Family Established Business: 6+ Growth Expectations
low	Middle East/Africa	Morocco	68.2	88.1	4.6	26.1	8.6	7.3
high	Europe/North America	Netherlands	41.5	48.7	8.1	18.1	9.1	5.7
high	Latin America/Caribbean	Panama	87.9	90.6	0.4	3.1	6.1	1.6
middle	Latin America/Caribbean	Peru	82.5	83.4	2.5	10.1	12.9	12.0
high	Europe/North America	Poland	41.0	27.9	2.1	8.9	9.8	1.3
high	Latin America/Caribbean	Puerto Rico	68.2	89.2	3.1	8.0	24.5	16.3
high	Middle East/Africa	Qatar	56.2	60.8	19.2	60.1	31.8	29.1
middle	Europe/North America	Russian Fed.	62.2	67.2	6.1	22.2	19.9	7.2
high	Middle East/Africa	Saudi Arabia	53.4	40.1	21.8	57.8	15.4	9.2
high	Europe/North America	Slovak Republic	45.5	57.3	5.5	20.3	20.6	5.5
high	Europe/North America	Slovenia	52.1	61.2	6.5	13.3	14.5	8.0
high	Europe/North America	Spain	32.6	44.3	4.5	8.4	5.5	1.5
low	Middle East/Africa	Sudan	69.3	80.1	6.2	13.2	22.4	10.2
high	Europe/North America	Sweden	63.5	76.9	5.8	10.1	13.6	3.0
high	Europe/North America	Switzerland	31.0	43.5	11.8	29.8	23.2	5.2
high	East and South Asia	Taiwan	35.9	32.2	13.6	29.7	37.3	19.6
middle	East and South Asia	Thailand	76.9	77.6	9.1	14.2	19.2	9.1
middle	Europe/North America	Turkey	54.6	57.8	17.4	33.1	45.7	22.4
high	Middle East/Africa	United Arab Emirates	53.0	50.9	17.9	69.9	51.8	39.5
high	Europe/North America	United Kingdom	43.8	51.1	5.5	18.1	15.3	10.5
high	Europe/North America	United States	46.0	53.7	4.3	20.1	29.3	8.1
high	Latin America/Caribbean	Uruguay	58.8	48.4	4.3	16.0	17.1	5.3
		AVERAGE (unweighted)	**57.1**	**61.8**	**7.8**	**20.1**	**19.5**	**9.4**

Appendix Table 4: Percentage of TEA and Established Business Activity with Market Innovations

Income Level	Region	Economy	% Family TEA with new to market offerings	% Family established business activity with new to market offerings
low	Middle East/Africa	Angola	44.5	34.1
high	Latin America/Caribbean	Argentina	49.7	31.7
high	Europe/North America	Austria	49.1	38.3
middle	Latin America/Caribbean	Brazil	27.3	27.1
middle	Europe/North America	Bulgaria	27.2	26.1
high	Europe/North America	Canada	53.9	45.3
high	Latin America/Caribbean	Chile	58.5	31.5
middle	East and South Asia	China	38.9	46.5
middle	Latin America/Caribbean	Colombia	24.7	14.9
high	Europe/North America	Croatia	50.7	45.5
high	Europe/North America	Cyprus	44.4	22.6
low	Middle East/Africa	Egypt	46.0	42.7
high	Europe/North America	France	40.8	52.2
high	Europe/North America	Germany	52.2	28.6
high	Europe/North America	Greece	46.3	36.9
middle	Latin America/Caribbean	Guatemala	49.8	27.7
low	East and South Asia	India	59.0	43.9
low	East and South Asia	Indonesia	23.9	15.0
middle	Middle East/Africa	Iran	35.3	25.1
high	Europe/North America	Ireland	61.7	45.1
high	Middle East/Africa	Israel	38.8	23.2
high	East and South Asia	Japan	34.2	28.7
high	East and South Asia	Korea Rep.	46.4	41.8
middle	Middle East/Africa	Lebanon	57.6	40.9
high	Europe/North America	Luxembourg	59.5	48.3
low	Middle East/Africa	Madagascar	23.0	18.6

Appendix Table 4: Percentage of TEA and Established Business Activity with Market Innovations (cont.)

Income Level	Region	Economy	% Family TEA with new to market offerings	% Family established business activity with new to market offerings
low	Middle East/Africa	Morocco	16.0	8.5
high	Europe/North America	Netherlands	47.8	31.0
high	Latin America/Caribbean	Panama	25.8	13.4
middle	Latin America/Caribbean	Peru	34.2	23.7
high	Europe/North America	Poland	25.0	28.9
high	Latin America/Caribbean	Puerto Rico	49.0	22.9
high	Middle East/Africa	Qatar	38.4	11.5
middle	Europe/North America	Russian Fed.	22.4	16.9
high	Middle East/Africa	Saudi Arabia	46.7	22.6
high	Europe/North America	Slovak Republic	35.6	26.5
high	Europe/North America	Slovenia	41.6	37.6
high	Europe/North America	Spain	39.5	31.6
low	Middle East/Africa	Sudan	30.7	29.0
high	Europe/North America	Sweden	52.1	39.0
high	Europe/North America	Switzerland	64.4	32.0
high	East and South Asia	Taiwan	31.6	25.9
middle	East and South Asia	Thailand	28.2	24.9
middle	Europe/North America	Turkey	36.3	35.2
high	Middle East/Africa	United Arab Emirates	43.2	21.8
high	Europe/North America	United Kingdom	48.8	36.9
high	Europe/North America	United States	55.0	35.3
high	Latin America/Caribbean	Uruguay	42.9	30.1
		AVERAGE (unweighted)	**41.6**	**30.6**

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