



News Release

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Worldwide, One in 11 Women Involved in Entrepreneurial Activity *NWBC Analysis Summarizes Global Entrepreneurship Monitor Findings*

Washington, DC – Women business owners are continuing to demonstrate extraordinary economic prowess worldwide, with one in 11 (8.9%) women involved in entrepreneurship across the globe, according to the Global Entrepreneurship Monitor (GEM). Among the 37 countries studied by GEM, there exists a wide range of women's entrepreneurial activity, with women's entrepreneurship rates in the U.S. (at 8.1%, or 1 in 12) being outpaced by nine other countries of the 37 included in the study.

These findings are included in a new *Issue in Brief* from the National Women's Business Council, "Women's Entrepreneurship Around the Globe," which highlights the major findings related to women's entrepreneurship from four studies conducted by GEM. The GEM research program is an annual worldwide assessment of entrepreneurial activity. Initiated in 1999 with 10 countries, it expanded to 21 in 2000, 29 in 2001 and 37 countries in 2002. GEM has closely examined the link between the demographic make-up of a country and the achieved level of entrepreneurial activity and has found a very strong causal relationship. Several critical demographic dimensions have emerged including: the age structure of a population, the level of participation by women in the entrepreneurial process, and anticipated population growth.

Worldwide, women are much more likely than men to cite necessity as a reason for starting their business. Fully 69% of men cite opportunity as their motivation for starting a business, with 31% citing necessity. In comparison, just 56% of women cite opportunity, while 44% cite necessity as their motivation for starting a business. Thus, nearly half of women say that they became entrepreneurs because there were no other options available.

Despite relatively high levels of women's entrepreneurship in a number of countries, women are still much less

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likely to start a business than are men. Across 37 countries studied in 2002, men are about 50% more likely than women to be involved in entrepreneurial activity and nearly one in seven men (13.9%) is an entrepreneur, compared to one in eleven women (8.9%).

“Increasing the participation of women in entrepreneurship worldwide is imperative to creating a healthy global economy,” said Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies and Chair of the National Women’s Business Council. “And the more we know about the state of women’s entrepreneurship worldwide, the better equipped we will be to foster the growth of women-owned businesses everywhere. We are highly encouraged as we take our first steps towards this goal, in working with the Global Entrepreneurship Monitor to produce this informative and insightful report.”

The economic development level of a country appears to have a significant impact on the motivations for entrepreneurship among women. Within highly developed countries, opportunity entrepreneurship is more common and a higher level of participation of women in the labor force is associated with greater female entrepreneurship. In these countries, entrepreneurship is one career choice among many for women. In developing countries, however, entrepreneurship among women is more likely to be a result of necessity. In these countries, the more job opportunities that exist for women, the lower their levels of entrepreneurship, as the need for it is reduced.

The GEM countries with the highest levels of entrepreneurship among women in 2002 are, in descending order:

- Thailand (18.5%);
- India (14.1%);
- Argentina (11.5%);
- Brazil (11.1%);
- China (11.0%);
- New Zealand (10.6%);
- Mexico (10.3%);
- Chile (9.5%);
- Korea (8.6%); and
- the United States (8.1%).

The countries with the lowest rates of female entrepreneurship are, in ascending order:

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- Japan (0.6%);
- Belgium (1.5%);
- Russia (1.6%);
- Croatia (1.8%);
- France (2.1%);
- Hong Kong (2.3%);
- Spain (2.6%);
- Sweden (2.6%);
- Singapore (2.7%); and
- Slovenia (2.9%).

GEM researchers also found that the level of entrepreneurial activity among women increases as levels of education rise, with a major jump in business ownership seen among those who go beyond a secondary education. This pattern is different from that of men, among whom the highest levels of business activity are seen among those with just a secondary education. The lowest levels of entrepreneurship among men are seen among those with both the most and the least amount of education.

Each of the four GEM reports also included conclusions and recommendations related to the role of women in entrepreneurship. Among the recommendations, researchers suggest increasing the level of entrepreneurial start-up efforts by helping to get more women involved and highlighting successful women entrepreneurs who could serve as role models by encouraging other women to start their own businesses.

GEM was spearheaded by Babson College, the Ewing Marion Kauffman Foundation, and the London School of Economics with independent research teams in each of the 37 countries. More information about GEM may be found at www.gemconsortium.org. The complete *Issue in Brief*, as well as links to the GEM reports, may be found at the NWBC's web site, www.nwbc.gov.

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The National Women's Business Council is a bi-partisan Federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations. The National Women's Business Council is committed to conducting research on issues of importance to women business owners and their organizations; to communicating these findings widely; to connecting the women's business community to public policy makers; and to providing programs and platforms for change in order to expand and improve opportunities for women business owners and their enterprises. For more information about the Council, its mission and activities, contact: National Women's Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825, e-mail: nwbc@sba.gov; web site: www.nwbc.gov.