

Research Demonstrates Job Creation Abilities of High-Impact Entrepreneurs Across the World

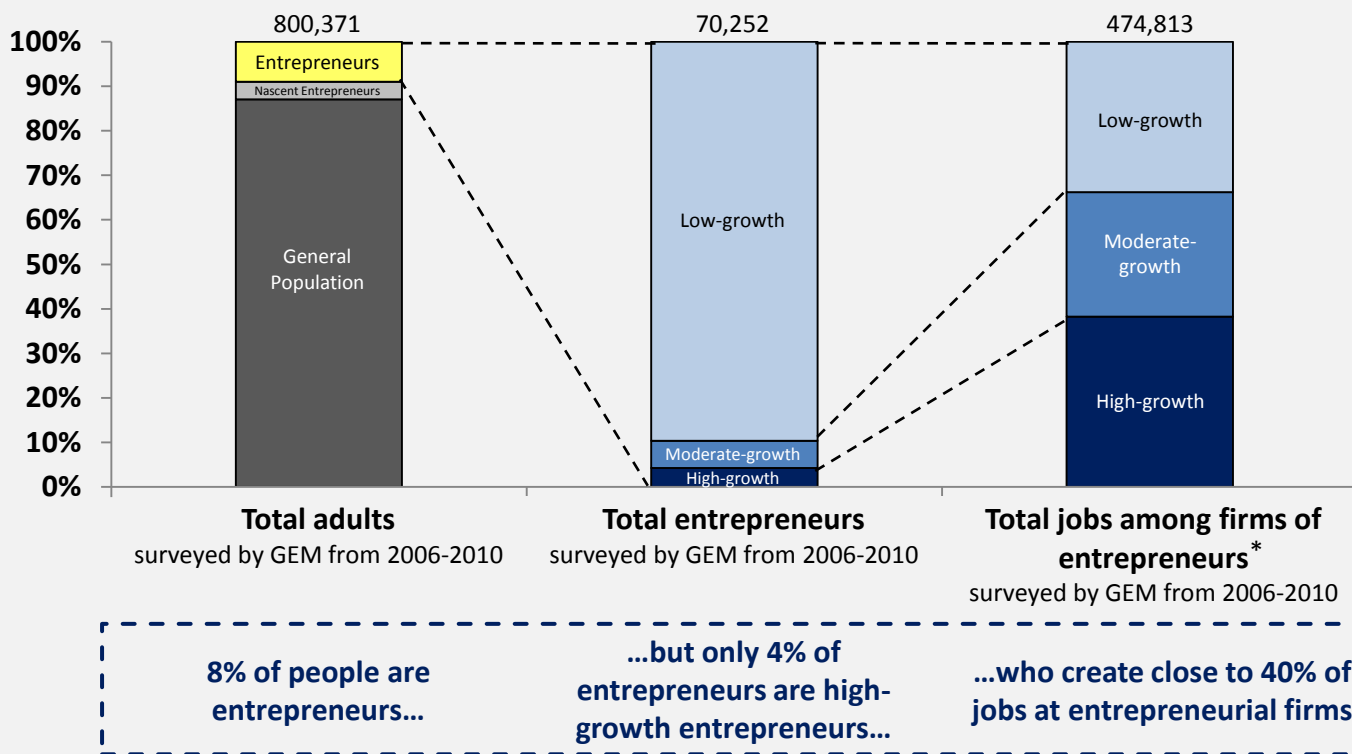
Endeavor’s Center for High-Impact Entrepreneurship (C-HIE) recently conducted a series of analyses with the Global Entrepreneurship Monitor (GEM), an entrepreneurship research consortium. Over the last five years, GEM has surveyed over 800,000 randomly selected adults in over 60 countries to better understand individuals’ entrepreneurial attitudes, activities and aspirations. The resulting database allowed C-HIE to classify more than 70,000 active entrepreneurs included in these surveys by estimated rates of growth, based on the age of their businesses and number of people employed. From Endeavor’s perspective, two important conclusions stood out within the report:

High-growth entrepreneurs are the most scalable engines of job creation around the world. Though high-growth entrepreneurs represent only 4% of the total entrepreneurs who responded to the GEM surveys, the businesses they have founded or co-own created close to 40% of the total jobs generated by all entrepreneurs who responded to the survey. Additional detail on the job creation contributions of high-, moderate- and low-growth entrepreneurs is found in the chart below.

Efforts to support High-Impact Entrepreneurship should focus on college-educated entrepreneurs working in partnerships who are 26-45 years old. The majority of the high-growth entrepreneurs in the GEM surveys had at least a few years of work experience and had earned a college or graduate degree. These entrepreneurs also worked in partnerships more than 50% of the time.

This research was generously sponsored by Ernst & Young. A full copy of the report can be downloaded at http://share.endeavor.org/pdf/2011HIE_Report.pdf.

Prevalence of High-Growth, Moderate-Growth and Low-Growth Entrepreneurs and Relative Job Creation



Definitions:

- **High-Growth Entrepreneurs** own firms that have experienced estimated revenue growth of 20% or more per year.
- **Moderate-Growth Entrepreneurs** own firms with estimated revenue growth rates of between 5-20% per year.
- **Low-Growth Entrepreneurs** own firms that have grown at an estimated annual rate of less than 5%.

* Data on share of jobs is adjusted to reflect differences in the average number of entrepreneurial partners among firms owned by low-, moderate- and high-growth entrepreneurs.