

## **PRESS RELEASE**

### **New generation of entrepreneurs riding UK's economic recovery**

A new generation of entrepreneurs is emerging with Britain's economic recovery and surging ahead of European counterparts, according to a new report unveiled today.

In 2014 one in five working age individuals in the UK were running their own business, were actively trying to start a business or intended to start a business within the next three years.

The Global Entrepreneurship Monitor (GEM) UK 2014 report, written by a team of entrepreneurship researchers from Aston and Strathclyde Business Schools, compares entrepreneurial activity, attitudes and aspirations in the UK, France, Germany and the US, reveals that the UK has pulled ahead of France and Germany in the entrepreneurship stakes.

Figures show that the total early-stage entrepreneurial activity (TEA) rate now stands at 8.6 per cent in the UK in 2014, a significant increase in the 2013 figure of 7.3 per cent. This compares with 5 per cent in France and Germany where the TEA rate has not changed since 2011.

Professor Jonathan Levie, of the Hunter Centre for Entrepreneurship at Strathclyde Business School, said: "Compared with the early 2000s, the UK now looks very different from other EU countries such as France and Germany in terms of early-stage entrepreneurship. For the last four years it has significantly outperformed both of these countries in the number of early-stage entrepreneurs."

This growth in early-stage entrepreneurial activity in the UK is mainly because more men, especially those aged between 50 and 64 years old, are taking the first steps to running their own business.

Professor Levie added: "While this means that the 'gender gap' in early-stage entrepreneurship has risen this year, this is not due to any fall in the proportion of women starting their own business and a longer term view reveals that the TEA rate of 5.7 per cent for women in 2014 has almost doubled in ten years."

The report identifies that the percentage of non-entrepreneurs of working-age in the UK who agreed there were good opportunities for starting a business in their local area in the next six months has now risen to 37 per cent in 2014. This marks a return to pre-recession levels of 2007 and suggests a growing sense of optimism among the wider population for business start-up.

The Global Entrepreneurship Monitor (GEM) UK 2014 Report also reveals that a record number of people aged between 50 and 64 years are now starting their own business, with a highest ever recorded TEA rate of 7.1 per cent.

The GEM UK analysis has revealed the number of early-stage entrepreneurs aged between 50 and 64 years has grown steadily since the onset of the recession in 2008.

Professor Mark Hart, of Aston Business School, said: "This age group has historically had a TEA rate significantly lower than for those in the younger age groups but the recent recession seems to have changed that long-term trend. This is particularly the case for men and one possible interpretation is that older men find it difficult to get back into the labour market after the recession and some are now looking to start their own businesses as a result."

A look at the sub-national picture of TEA rates in 2014 showed that the rate for Scotland at 5.4 per cent was significantly lower than the rate for England (9.1%). The rates for Wales and Northern Ireland were 7.1 per cent and 6.7 per cent.

Total early-stage entrepreneurial activity (TEA) is defined in the GEM UK report as a combination of nascent entrepreneurs - individuals who are committing resources, such as time or money, to starting a business - and new business owner-managers, whose business has been paying income, such as salaries or drawings, for more than three, but not more than forty-two, months.

Professor Mark Hart will be presenting the GEM UK analysis on 3 March at the BIS Small Business Research Conference 2015: Unlocking Greater Growth. At this event, BIS will also be presenting the latest findings from its Small Business Survey. This reveals confidence amongst existing small and medium-sized businesses is growing as more are achieving profits and many expect larger turnovers and workforces in the next 12 months.

A full copy of the GEM UK 2014 Monitoring Report is available at [www.aston.ac.uk/gem](http://www.aston.ac.uk/gem)

## Notes to Editors

### About the GEM UK 2014 Monitoring Report

This report – compiled by Professor Mark Hart, Professor Jonathan Levie and supported by Karen Bonner and Cord-Christian Drews - compares Global Entrepreneurship Monitor (GEM) measures of entrepreneurial attitudes, activity and aspiration in the UK with France, Germany and the United States (US). It also summarizes entrepreneurial attitudes, activity and aspiration across the four nations of the UK and reports on business registration activity by business owner-managers, , and on changes in business start-up funding expectations through the business cycle in the UK.

GEM's primary focus is on the study of three areas:

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors leading to appropriate levels of entrepreneurship
- To suggest policies that may enhance the national level of entrepreneurial activity.

From the survey, individual entrepreneurs at three key stages are examined:

- Nascent entrepreneurs (NAE): The stage at which individuals begin to commit resources, such as time or money, to starting a business. To qualify as a nascent entrepreneur, the business must not have been paying wages for more than three months.
- New business owner-managers (NBO): Those whose business has been paying income, such as salaries or drawings, for more than three, but not more than forty-two, months.
- Established business owner-managers (EBO): Those whose business has been paying income, such as salaries or drawings, for more than forty-two months.

In addition, the general intention to start a business is measured by asking individuals if they expect to start a business within the next three years (FUT). Finally, individuals are asked if they have sold, shut down, discontinued or quit a business, in the past year (BC). It is important to understand that the main subject of study in GEM is entrepreneurs rather than the businesses that they run. GEM measures the entrepreneurial activity of people from intention to exit. The first two stages of active business development, the nascent entrepreneur stage and the new business owner-manager stage, are combined into one index of Total early-stage Entrepreneurial Activity, or TEA.

## About the Authors

### Professor Mark Hart

Mark Hart is Professor of Small Business and Entrepreneurship at Aston Business School and has dedicated over 35 years to researching and teaching in the area of SMEs and entrepreneurship. He is also Deputy Director of the [Enterprise Research Centre](#) and leads the Goldman Sachs 10,000 Small Businesses programme in the Midlands.

Professor Hart has worked and published extensively in the areas of entrepreneurship, enterprise and small business development and policy and jointly manages the [Global Entrepreneurship Monitor \(GEM\)](#) in the UK ([www.gemconsortium.org](http://www.gemconsortium.org)). He also advises a number of UK Government Departments and the Devolved Administrations on enterprise issues and chaired the Executive Group for Lord Young in 2013 to devise and implement the Small Business Charter and is now involved in developing a number of business support programmes for the Charter schools. Professor Hart received the Queen's Award for Enterprise Promotion in 2014 for his ground-breaking work in enterprise research, policy and practice.

### Professor Jonathan Levie

Jonathan Levie is a Professor in the Hunter Centre for Entrepreneurship at the University of Strathclyde, where he is Director of Knowledge Exchange. He has held research and teaching posts at the London Business School, Babson College (US), INSEAD (France), and University College, Cork (Ireland). Professor Levie was associate coordinator of Global Entrepreneurship Monitor (GEM) in its founding year and has served as an elected member of the board of the Global Entrepreneurship Research Association (GERA). He currently is a member of GERA's Research and Innovation Committee. He also co-directs GEM in the UK with Professor Mark Hart of Aston Business School and leads the Ambition and Growth research theme at the UK's Enterprise Research Centre.

**Press release prepared by Shepherd PR.**

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