



GEM 2019/2020 FAMILY ENTREPRENEURSHIP REPORT

William B. Gartner

Bertarelli Foundation Distinguished Professor of
Family Entrepreneurship
Babson College

Matthew Allen

Associate Professor in the Entrepreneurship Division
Babson College

Ramia Marielle El Agamy

Editor-in-Chief
Tharawat Magazine

MODERATOR:

Aileen Ionescu-Somers

Executive Director
Global Entrepreneurship Monitor





**BABSON
COLLEGE**

GEM Family Entrepreneurship Report

Donna Kelley, William Gartner, Mathew Allen
Babson College

THE GLOBAL ENTREPRENEURSHIP MONITOR



Starting in 1999, GEM has become the largest and most comprehensive global annual survey of entrepreneurship

Research teams in each participating economy

Focus on the individuals who start and run businesses

Questions on family added to the 2018 survey

- Co-ownership with family**
- Co-management with family**
- Majority of employees who are family members**

THE GEM FAMILY BUSINESS QUESTIONS

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.

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.

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

ACROSS 48 ECONOMIES...



**20% of family
established
business owners**

currently employ more
than five people

**75% of entrepreneurs
and 81% of established
business owners**

co-own and/or co-manage
with family

The most common form is
co-management without
co-ownership (54% of total
entrepreneurial activity: TEA)

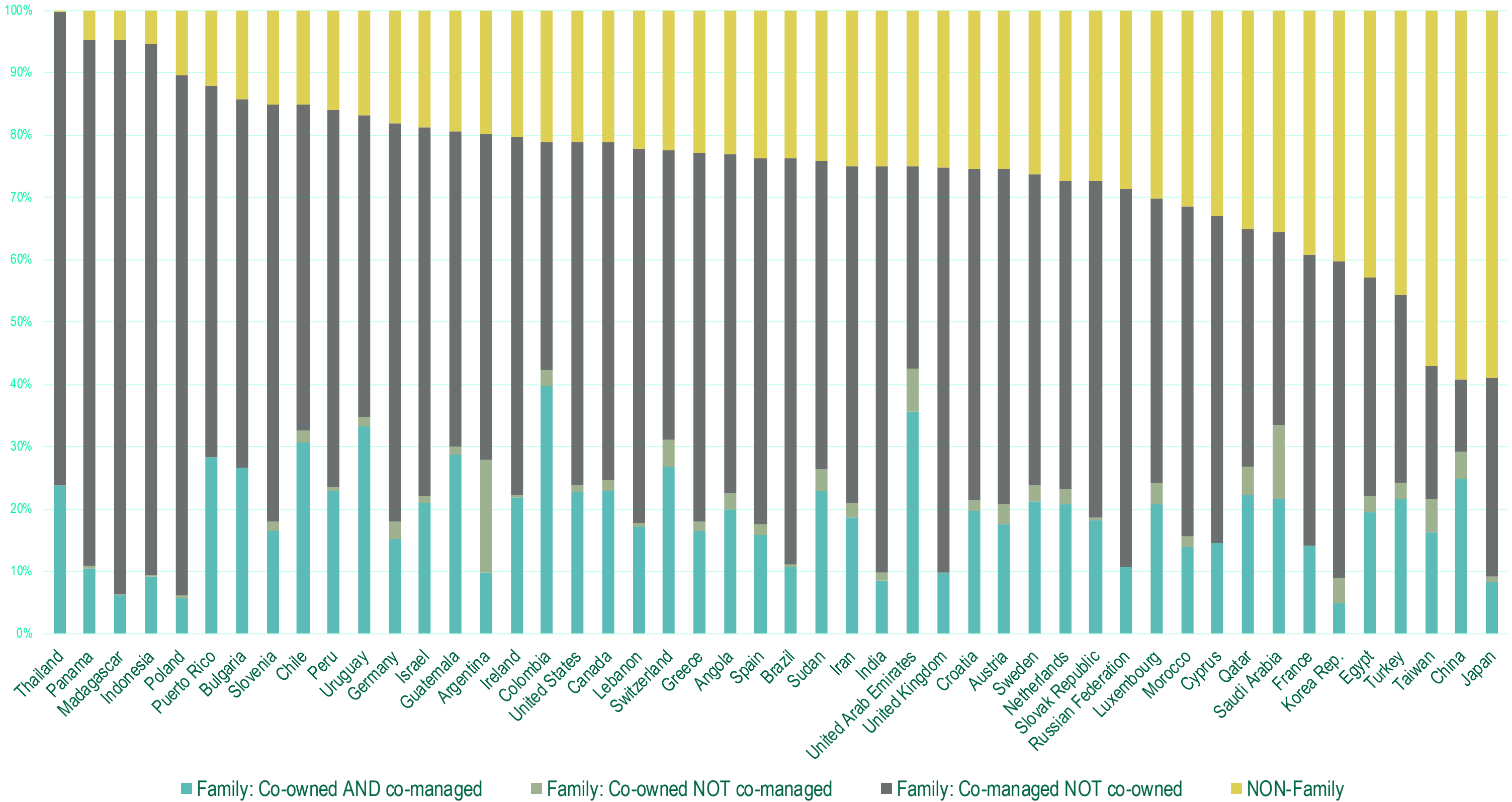
Among 62% of established
business owners, the majority
of their employees are family
members



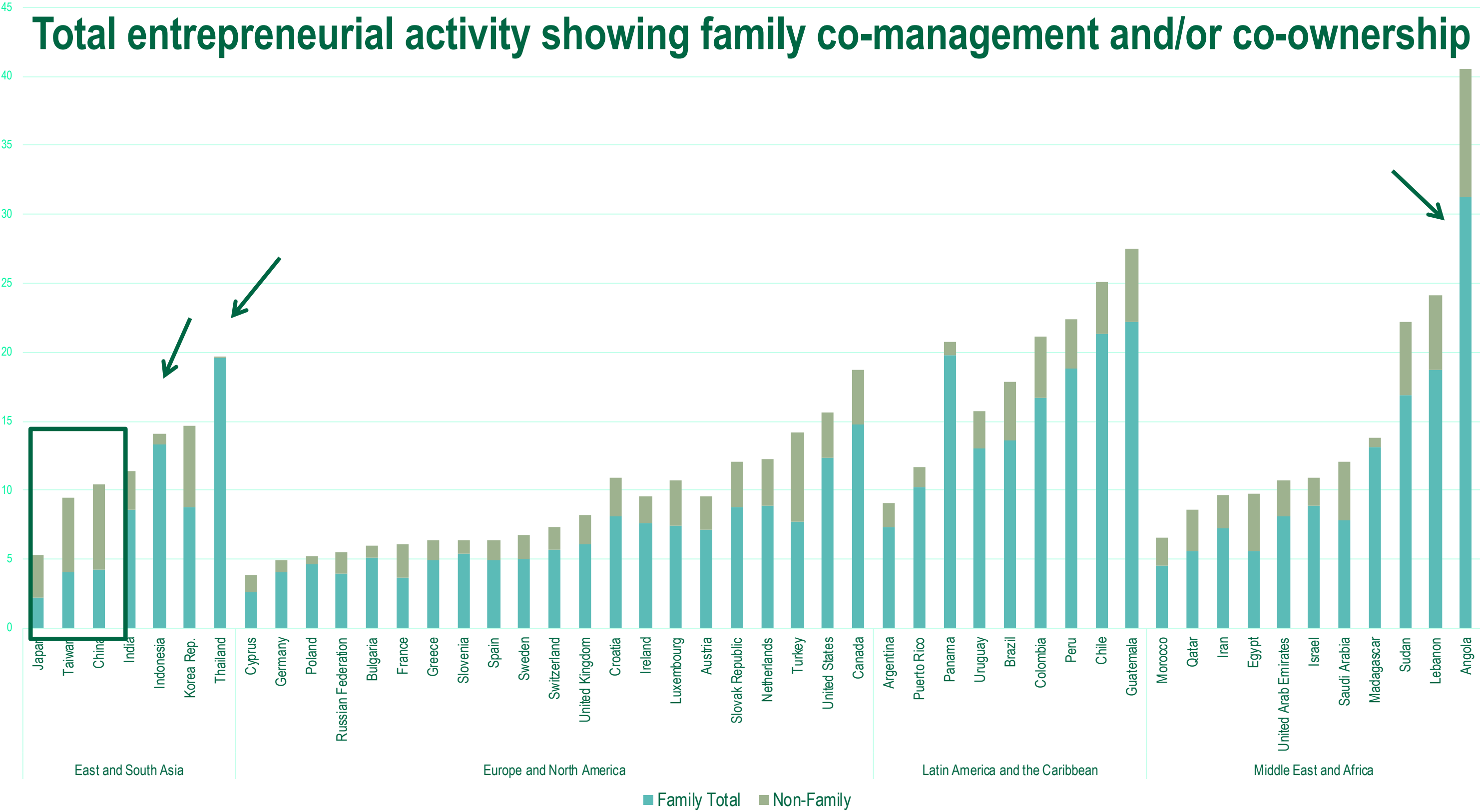
**20% of family entrepreneurs
expect to hire** more than five
new employees in the next five
years

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%



Total entrepreneurial activity showing family co-management and/or co-ownership



EMPLOYMENT OF FAMILY MEMBERS...

Involvement of family members in both the start-up phase as well as established businesses goes beyond ownership or management

57% of family entrepreneurs expect that the majority of employees over the next 5 years will be family members

Looking at established business owners, 62% state that the majority of their employees are family members

JOIN GEM

Visit

www.gemconsortium.org

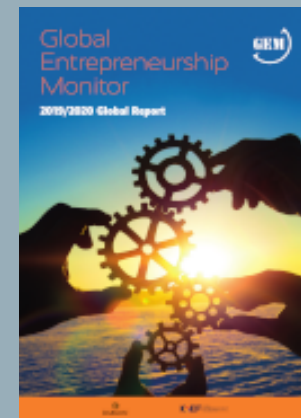
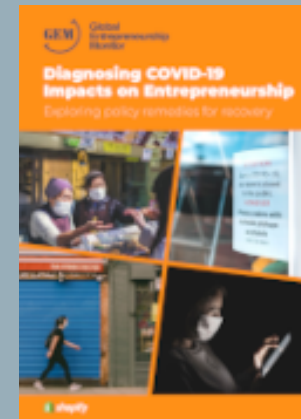
Email us

info@gemconsortium.org

START A NATIONAL
TEAM IN YOUR
COUNTRY

ASSESS ECOSYSTEM
READINESS WITH OUR ESI
TOOL

SPONSOR GEM



GEM



**BABSON
COLLEGE**

Thank you.