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Monitor

## UNLOCKING THE POWER OF ETHNIC MINORITY ENTREPRENEURS IN THE UK



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# Introduction

Ethnic minority businesses (EMBs) are a significant yet under-recognised part of the UK economy. This impact report focuses on EMBS not as a niche issue, but as a way of understanding how entrepreneurial potential is created, constrained, or enabled within the UK's wider business environment.

Drawing on Time to Change: A Blueprint for Advancing the UK's Ethnic Minority Businesses, the report demonstrates how robust, longitudinal evidence—particularly from GEM UK data—has been used to identify gaps in finance, business support, and policy coordination. These insights reveal structural challenges that affect many entrepreneurs, while having a disproportionate impact on ethnic minority founders.

The report documents how this evidence has translated into real-world impact, shaping national and regional policy, influencing the design of business support services, and strengthening collaboration between government, financial institutions, and local leaders. EMB-focused recommendations have been embedded within broader SME and growth strategies across the UK.

While centred on ethnic minority entrepreneurship, the lessons set out in this report extend across the entire entrepreneurial ecosystem. By addressing systemic barriers and promoting inclusive growth, the actions described here contribute to higher business survival, greater productivity, and a more resilient and dynamic UK economy that benefits all.

# Advancing ethnic minority entrepreneurship

What if better support for ethnic minority businesses (EMBs) could unlock £100 billion in annual economic value for the UK?

That's the bold potential outlined in [Time to Change: A Blueprint for Advancing the UK's Ethnic Minority Businesses](#), a landmark report commissioned in 2022 by NatWest Group and developed by the Centre for Research in Ethnic Minority Entrepreneurship (CREME) at Aston University. Grounded in robust evidence, including insights from GEM UK data, the report sets out 10 actionable recommendations. Ones applicable to GEM research include:



Tackle perceptions of unequal treatment to increase EMBs' engagement with bank finance.



Develop more sustainable and quality business support to help EMBs realise their growth potential.



Develop a UK-wide policy on inclusive entrepreneurship to set out a clear vision for achieving inclusive growth.



Create a UK-wide mechanism for promoting and supporting EMBs to provide long-term leadership on this agenda.



Develop more sustainable and quality business support to help EMBs realise their growth potential.

These recommendations have captured the attention of policymakers and business leaders, as is outlined further in this profile.



Small Business Minister, Gareth Thomas MP visit at Aston Business School

## Unlocking untapped potential

EMBs are a vital yet often under-recognised force in the UK economy. While individuals from ethnic minority backgrounds are statistically more likely to start a business than the general population, the long-term sustainability and growth of these ventures remain a significant challenge. According to the [Time to Change report](#), an estimated 250,000 EMBs currently contribute around £25 billion annually to the UK economy,

alongside important social and cultural benefits – such as creating jobs for marginalised communities, revitalising urban areas, and enhancing the diversity of products and services.



In 2023, EMBs had a start-up rate (those in the first initial three months of their business) of 13.8%, while established business rates were lower at 9.4%.

This is in comparison to rates of the "White" population, where the start-up rate was 5.9% and established business rates were 7.3%.



This suggests the long-term sustainability and growth of EMBs remain a significant challenge. Addressing these systemic gaps presents a critical opportunity for the UK to unlock not only greater economic value but also a more inclusive and resilient entrepreneurial ecosystem.

## Shaping a national strategy for Ethnic Minority Businesses

The Time to Change report leveraged robust quantitative evidence from GEM and other sources to highlight the state of ethnic minority entrepreneurship in the UK. GEM's long-standing, nationally representative Adult Population Survey (APS) has proven invaluable in capturing trends across all stages of entrepreneurship. For the Time to Change reports, APS results were disaggregated by ethnic group, enabling a clearer understanding of disparities in entrepreneurial activity, business maturity, and business closure rates among different communities.

This research effort was made possible through a long-standing collaboration with NatWest Group, a key sponsor of GEM UK. Together with regional and national stakeholders, including the Mayors of the Combined Authorities across England, the team amplified the report's findings and developed a programme of action to influence real change. Dissemination efforts were strategic and widespread, aimed at catalysing discussion and encouraging uptake of the report's 10 evidence-based recommendations.



Power of Partnerships event with West Midlands Mayor Richard Parker and Julie Baker, NatWest Group

As a direct result, NatWest Group has adopted a strategic focus aligned with several of the report's key recommendations. These include addressing both perceived and actual barriers to finance, fostering long-term, trust-based relationships with ethnic minority businesses, and strengthening local networks of support to boost business survival and growth.

"When the Time to Change report launched, we committed to playing an integral role in the change that is required," said Julie Baker, Head of Enterprise and Climate Engagement, NatWest Group. "I'm proud to say that we have been doing just that."

The Centre for Research in Ethnic Minority Entrepreneurship (CREME) at Aston University has been designated as an Implementation Partner by the Department for Business and Trade (DBT) for ethnic minority entrepreneurship policy.

The Time to Change report recommendations are now embedded in the Business Growth Service, which reaches 5.5 million SMEs across the UK. This represents direct adoption of the report's policy recommendations at the national level.



Rt Hon Gareth Thomas MP, Minister for Services, Small Businesses & Exports (DBT), noted at the Westminster Hall Debate on Venture Capital Access: "Time to Change: A Blueprint For Advancing the UK's Ethnic Minority Businesses sets out £75 billion potential in unlocking growth of ethnic minority businesses. As a Government committed to growth, that is a huge win for the UK if

we can do more to unlock that potential. My Department plans to become an implementation partner for Time to Change."

Minister Thomas also participated in a Time to Change roundtable at Aston University in May 2025, where implementation of the report's recommendations in government strategy was discussed.

The report's recommendations on ethnicity data collection have also been incorporated into Companies House data reform initiatives. This will improve visibility of ethnic minority businesses and enable better-targeted support mechanisms.

Following the launch of the Time to Change report at Parliament Buildings in Stormont (home of the Northern Ireland Assembly), Northern Ireland's Economy Minister Conor Murphy pledged to refocus economic policy to better support ethnic minority entrepreneurs and migrants. He highlighted the need to tackle structural barriers such as discrimination, limited access to finance and networks, confidence gaps, and language challenges, stressing that improving support for those facing additional obstacles is essential to helping domestic start-ups and SMEs grow.

In addition, West Midlands Mayor Richard Parker has committed to delivering actions set out in the Time to Change report, working directly with the research team to identify concrete business actions for regional economic growth. This includes the establishment of seven community hubs across the West Midlands as a practical implementation of the recommendations.

"Unlocking the untapped talent of our ethnic minority entrepreneurs is crucial if we are to drive the sort of economic growth that benefits all our communities," he said.

"By delivering the actions set out in the Time to Change report, we can improve people's opportunities in life and boost prosperity. That's why I am committed to working with the Time to Change team, seeking their expertise to identify concrete actions that businesses can take so our region is able to secure its full economic potential."



West Midlands Mayor Richard Parker

The Time to Change reports have evolved over the years, with new insights continuously drawn from GEM UK data to strengthen its evidence base. This continuing work ultimately contributes to a more inclusive and equitable entrepreneurial landscape across the UK.

## A track record of policy impact

GEM UK's work around EMBs is just one of many examples of how the team's work has impacted policy. Since its inception in 1999, the GEM UK team has consistently provided evidence-based insights that have shaped national and regional strategies, guided the allocation of resources, and raised awareness of key barriers and opportunities within the entrepreneurial landscape.



Photo from a Parliamentary dinner focused on advancing the growth of ethnic minority businesses

Throughout the years, GEM data has been consistently used by government officials who have leveraged the insights provided in GEM UK reports. There have also been numerous reports over the years that focus separately on Scotland, Wales, and Northern Ireland as entrepreneurial ecosystems. Members of the GEM UK Team have regular discussions with officials on how GEM data can impact policy. Currently, there is particular interest around gender, ethnicity and immigration.



GEM featured at the Savvitas Business & Parliament Forum at the House of Commons, where insights from the 2021/2022 Women's Entrepreneurship Report were presented by Professor Mark Hart (GEM UK Team Leader) and Aileen Ionescu-Somers (GEM Executive Director)

Here are three other noteworthy examples from over the years that highlight GEM UK's policy impact:



The [2019 Alison Rose Review of Female Entrepreneurship](#), a government-commissioned report, drew on a wide range of GEM evidence to highlight gender gaps and trends in female entrepreneurship in the UK. The report underscored the significant, unrealised economic potential of women entrepreneurs. Commissioned by HM Treasury (the United Kingdom's Ministry of Finance) and led by Alison Rose, Deputy CEO of NatWest Holdings, it helped the government gain a clearer understanding of the barriers and challenges faced by female founders.



GEM featured prominently at the Savvitas Business & Parliament Forum held on 6 December at the House of Commons. Over lunch in the historic Chess Room, Mark Hart and GEM Executive Director Aileen Ionescu-Somers presented key findings from the GEM 2021/2022 Women's Entrepreneurship Report, highlighting their implications for UK enterprise policy. Outcomes from the discussion with the officials were taken forward as policy suggestions across government and to all political parties and relevant bodies.



In August 2025, the UK Department for Business and Trade unveiled its [Backing Your Business plan](#), a long-term strategy to support small and medium-sized enterprises (SMEs) as central drivers of economic and community growth. Developed in collaboration with SMEs and industry bodies, the plan incorporates research insights from the Enterprise Research Centre (ERC), including findings from the [State of Small Business Britain report](#) and the [GEM UK National Report](#). This marks a clear policy impact for GEM, as its data and analysis have helped shape government priorities around SME financing, innovation, digital adoption, leadership development, and net zero support.



## Looking ahead

The impact generated by the GEM UK Team underscores the importance of identifying key policy challenges and building strategic public–private partnerships. Finally, aligning insights with current political priorities and showing longitudinal trends are essential for translating GEM research into meaningful policy impact.

Building on the 25+ years of momentum, GEM UK will continue to contribute critical insights into the evolving landscape of ethnic minority entrepreneurship. GEM data is informing key components of this strategy, including topics such as the promotion of youth entrepreneurship, enabling women's access to finance, and building on trends in productive entrepreneurship, which refers to entrepreneurial activities that create net positive economic value. It could be through job creation, innovation or anything that can increase efficiency.

In addition to national-level engagement, a range of more specific, tailor-made, ongoing policy projects are underway across Scotland, Wales, and Northern Ireland. As the UK's economic and entrepreneurial environment evolves, GEM UK remains committed to providing policymakers with high-quality, comparative data and thought leadership that helps shape inclusive and resilient entrepreneurship ecosystems.



Professor Monder Ram with the then NI Minister for the Economy, Connor Murphy in 2025 and Laura Bradley (Ulster University)