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
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

<table>
<thead>
<tr>
<th>Co-managed</th>
<th>Not Co-owned</th>
<th>Co-owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family: Co-managed, not co-owned</td>
<td>Family: Co-owned and co-managed</td>
<td></td>
</tr>
<tr>
<td>Non-family</td>
<td>Family: Co-owned, not co-managed</td>
<td></td>
</tr>
</tbody>
</table>
ACROSS 48 ECONOMIES...

75% of entrepreneurs and 81% of established business owners co-own and/or co-manage with family.

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

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

20% of family established business owners currently employ more than five people.

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.

<table>
<thead>
<tr>
<th></th>
<th>Family: Co-owned and co-managed</th>
<th>Family: Co-owned, not co-managed</th>
<th>Family: Co-managed, not co-owned</th>
<th>Non-Family</th>
<th>Family Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEA</td>
<td>19.0%</td>
<td>2.3%</td>
<td>53.6%</td>
<td>25.1%</td>
<td>74.9%</td>
</tr>
<tr>
<td>Established business activity</td>
<td>18.1%</td>
<td>1.7%</td>
<td>61.5%</td>
<td>18.8%</td>
<td>81.3%</td>
</tr>
</tbody>
</table>
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
Thank you.