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# Global Entrepreneurship Monitor 2023–2024 United States Report

NATIONAL ENTREPRENEURSHIP ASSESSMENT  
FOR THE UNITED STATES OF AMERICA



# Contents

Acknowledgments.....3

List of figures and tables .....4

Foreword.....7

Executive summary .....8

Introduction: The United States economy in 2022–2023 ..... 12

CHAPTER 1: Entrepreneurial activity and business phases ..... 22

CHAPTER 2: Entrepreneurial impact ..... 32

CHAPTER 3: Societal attitudes toward and perceptions of entrepreneurship..... 42

CHAPTER 4: Gender in entrepreneurship..... 48

CHAPTER 5: Race and ethnicity characteristics of entrepreneurs ..... 62

CHAPTER 6: Social and environmental sustainability..... 72

Conclusions..... 88

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# List of figures and tables

<b>Figure 1:</b> Percentage change in real GDP from the preceding quarter (seasonally adjusted annual rates) .....	14
<b>Figure 2:</b> Inflation rates (year-on-year change in CPI, PCEPI, and core PCEPI).....	15
<b>Figure 3:</b> Federal funds rate, 2015–2023 .....	16
<b>Figure 4:</b> National unemployment rate and total non-farm private employment, 2015–2023.....	17
<b>Figure 5:</b> University of Michigan Consumer Sentiment Index and real personal consumption expenditure, 2015–2023 .....	17
<b>Figure 6:</b> The GEM Conceptual Framework .....	18
<b>Table 1:</b> NES 2021–2023 ratings of entrepreneurial conditions .....	20
<b>Figure 7:</b> The entrepreneurship process and GEM indicators .....	20
<b>Figure 8:</b> Phases of business activity in the adult population of the United States, 2016–2023 (percentage of population aged 18–64) .....	24
<b>Figure 9:</b> TEA and EBO rates in the adult population of 15 high-income countries, 2023 (percentage of population aged 18–64).....	25
<b>Figure 10:</b> Breakdown of TEA by nascent and new phases, 2016–2023 .....	25
<b>Figure 11:</b> Motives for starting a business among entrepreneurs in the United States, 2019–2023.....	26
<b>Figure 12:</b> Breakdown of TEA by age group in the United States, 2019 and 2023 .....	27
<b>Figure 13:</b> Breakdown of phases of business activity by age group in the United States, 2023.....	28
<b>Figure 14:</b> Breakdown of discontinued entrepreneurship by business closures vs exits of continuing businesses, 2023 .....	29
<b>Figure 15:</b> Reasons for discontinuing entrepreneurship in the United States, 2023 .....	30
<b>Figure 16:</b> Industry breakdown for TEA in the United States, 2020–2023.....	34
<b>Figure 17:</b> Breakdown of TEA by scope of newness of the product/service to customers, 2019–2023 .....	35
<b>Figure 18:</b> Breakdown of TEA by scope of newness of the technologies or procedures used for the product/service, 2019–2023 .....	36
<b>Figure 19:</b> Breakdown of TEA in 15 high-income countries by scope of newness of the technologies or procedures used for their product/service, 2023 .....	37
<b>Figure 20:</b> TEA: Expected job growth in 5 years, 2018–2023 .....	37

<b>Figure 21:</b> TEA: Expected job growth in 5 years in high-income countries, 2023.....	38
<b>Figure 22:</b> Established business owners: Expected job growth in 5 years, 2018–2023.....	39
<b>Figure 23:</b> TEA: Geographic scope in 15 high-income countries, 2023.....	40
<b>Figure 24:</b> Societal attitudes toward entrepreneurship in the U.S. adult population, 2019–2023.....	44
<b>Figure 25:</b> Opportunities, skills, fear of failure*, and personal acquaintances with entrepreneurs, 2018–2023.....	46
<b>Figure 26:</b> Societal attitudes in the U.S. adult population by gender, 2023 (percentage of population aged 18–64).....	50
<b>Figure 27:</b> Entrepreneurial affiliations by gender in the U.S. adult population, 2019–2023 (percentage of population aged 18–64) .....	50
<b>Figure 28:</b> Entrepreneurial self-perceptions by gender in the U.S. adult population, 2019–2023 (percentage of population aged 18–64) .....	51
<b>Figure 29:</b> Entrepreneurial intentions in the U.S. adult population, 2016–2023 (percentage of population aged 18–64) .....	52
<b>Figure 30:</b> TEA rates by gender in the U.S. adult population for nascent businesses, 2015–2023 .....	52
<b>Figure 31:</b> TEA by gender in high-income economies, 2023 .....	53
<b>Figure 32:</b> EBO rates in the U.S. adult population by gender, 2015–2023 .....	53
<b>Figure 33:</b> EBO activity in high-income economies by gender, 2023 .....	54
<b>Figure 34:</b> TEA motives by gender in the U.S. adult population, 2023.....	54
<b>Figure 35:</b> Business closures in the past 12 months in the U.S. adult population by gender, 2023.....	55
<b>Figure 36:</b> Reasons for discontinued business ownership in the past 12 months in the U.S. adult population by gender, 2023.....	56
<b>Figure 37:</b> Industry sector participation for TEA in the U.S. adult population by gender, 2023 .....	57
<b>Figure 38:</b> Job creation expectations for all entrepreneurs in the U.S. adult population by gender, 2023 .....	58
<b>Figure 39:</b> Market scope for TEA in the U.S. adult population by gender, 2023 .....	59
<b>Figure 40:</b> Innovation among entrepreneurs in the U.S. adult population by gender, 2023.....	60
<b>Figure 41:</b> Use of technologies among entrepreneurs in the U.S. adult population by gender, 2023 .....	60

<b>Figure 42:</b> Societal attitudes toward entrepreneurship among three racial/ethnic groups in the U.S. adult population, 2023.....	64
<b>Figure 43:</b> Percentage of U.S. adults in three racial/ethnic groups who believe it is easy to start a business, 2021–2023.....	65
<b>Figure 44:</b> Self-perceptions of entrepreneurship in the U.S. adult population by racial/ethnic group, 2021–2023.....	66
<b>Figure 45:</b> Percentage of U.S. adults in three racial/ethnic groups who personally know an entrepreneur, 2021–2023.....	67
<b>Figure 46:</b> Participation in four business phases in the U.S. adult population by racial/ethnic group, 2021–2023.....	68
<b>Figure 47:</b> Motivations among entrepreneurs in the United States by racial/ethnic group, 2021–2023.....	70
<b>Figure 48:</b> Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth, 2021–2023.....	74
<b>Figure 49:</b> Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth by gender, 2021–2023.....	75
<b>Figure 50:</b> Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth by age, 2021–2023.....	76
<b>Figure 51:</b> Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth by innovativeness, 2021–2023.....	76
<b>Figure 52:</b> Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to minimize the environmental impact of their business in the past year, 2021–2023.....	77
<b>Figure 53:</b> Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to minimize the environmental impact of their business in the past year by gender and age, 2021–2023.....	78
<b>Figure 54:</b> Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to minimize the environmental impact of their business in the past year by innovativeness, 2021–2023.....	79
<b>Figure 55:</b> Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to maximize the social impact of their business in the past year, 2021–2023.....	80
<b>Figure 56:</b> Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to maximize the social impact of their business in the past year by gender and age, 2021–2023.....	81
<b>Figure 57:</b> Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to maximize the social impact of their business in the past year by innovativeness, 2021–2023.....	82
<b>Figure 58:</b> Percentage of entrepreneurs and established business owners in 15 high-income economies who stated they have taken steps to minimize their environmental impact and/or maximize the social impact of their business in the past year, 2023.....	84

## Foreword

A core element of the entrepreneurial mindset is the ability to look ahead and assess what might be beyond the horizon. That is why, as a lifelong entrepreneur and President of Babson College, I am continuously invigorated about what comes next for entrepreneurial thought leadership and action. Working, learning, and leading in a community of driven entrepreneurs—with a significant population of young changemakers—proves to me that the next generation is poised to accelerate entrepreneurship that makes the world a better place. I believe that the 2023–2024 United States Report by the Global Entrepreneurship Monitor (GEM) shows they are ready and eager to take on the mantle of responsibility.

This year's worldwide entrepreneurship survey marks the 25th anniversary of the Babson-based GEM United States National Report. Each year, this report provides entrepreneurs around the world with valuable insights into societal attitudes and self-perceptions of entrepreneurship.

I was honored to work closely with my colleagues at Babson as Vice Provost at the inception of GEM to launch the research and expand its scope. That time imbued in me a deeper appreciation for the potential of global entrepreneurship. The world had a far different viewpoint and opinion on what it meant to be an entrepreneur in 1999. To see how far entrepreneurial philosophy, research, and pedagogy have come in business and academia is noteworthy. As President, I am proud to see the continued growth and relevance of this annual research initiative.

Anyone, at any stage in their life, can become an entrepreneur. Yet, as this year's report shows, total entrepreneurial activity (TEA) is most rapidly rising among younger generations (18–24). Previous GEM reports consistently found that the highest TEA was among the 25–34 or 35–44 age groups.

Those findings are understandable. Younger survey respondents are assumed to be in college or just starting their careers. The 2023–2024 results, encouragingly, buck this trend with the highest rate of entrepreneurship found among 18–24-year-olds—impressively one and a half times the rate of those aged 35–44.

These trends bode well for the future of entrepreneurship as a driver for positive change in society. In addition to exhibiting the highest TEA, younger generations were also more likely to prioritize minimizing environmental impact and maximizing social impact than those 35–64 years of age.

I am inspired by the initiatives young entrepreneurs are taking to develop into the leaders of tomorrow. While I see the next generation's commitment to making an impact each day on Babson's campus, it is reassuring to see that same accelerated level of activity among entrepreneurs around the United States.

After reading this year's GEM findings, I trust that you will see our future is in good hands.



A handwritten signature in black ink that reads "Stephen Spinelli Jr.".

Stephen Spinelli Jr., MBA'92, PhD  
President, Babson College



This Global Entrepreneurship Monitor (GEM) United States National Report is based on the 25th survey of entrepreneurship worldwide, conducted in 2023. Each year, GEM research teams in each participating economy oversee surveys of the adult population. These surveys produce data on rates of participation across phases of business startup and ownership, characteristics of entrepreneurs and their businesses, and the entrepreneurial attitudes, affiliations, and self-perceptions of people in a society. Research teams in over 120 economies have participated in GEM since its inception. The Babson College-based GEM U.S. team has administered GEM in the United States each year since its first survey in 1999.

Selected key findings detailed in this report are as follows:

### Phases of business activity

- In 2023, 12% of U.S. adults expressed intentions to start a business in the next 3 years, representing, along with 2022's results, a slight decline from 2021.
- Total entrepreneurial activity (TEA) declined to below 15% in 2023, nearly one quarter lower than in 2022. However, the United States' rate was above the average of the 15 high-income economies (with gross domestic product per capita more than \$50,000) participating in GEM in 2023. Still, the biggest change in motivation for starting a business in 2023, just as in 2022, resulted from job scarcity, showing a more than one third increase from 2021 to 2023.
- Established business ownership (EBO) continued its downward trend since 2019, reporting in at less than 7%, just below the average of the 15 high-income economies participating in GEM in 2023.
- Business closures, which occurred at a rate of 4% in 2023, remained elevated compared to pre-pandemic levels.
- The youngest age group—18–24-year-olds—had the highest rate of entrepreneurial activity (24%). They also had the highest entrepreneurial intentions of any age group (21%). At the same time, this age group was also discontinuing entrepreneurship at the highest rate (15%). On the other hand, 55–64-year-olds reported the highest rates of EBO (10%).



## Entrepreneurial impact

- In 2023, 43% of entrepreneurs operated wholesale or retail businesses, nearly double the 2020 level. On the other hand, participation in finance, real estate, and business services industries fell by nearly 60% over the past 4 years, accounting for just 12% of entrepreneurs in 2023. However, more entrepreneurs started information and communication technologies (ICT) businesses in 2023 (8%) than they did in 2020 (5%).
- In the United States, 8% of entrepreneurs and 10% of established business owners operated in medium- and high-tech industries in 2023—a significant increase from the 5.5% and 7%, respectively, reported in the previous year.
- Innovation levels were lower in 2023 compared to the previous year; 35% of TEA was focused on delivering a product that was new locally, nationally, or internationally in 2023 (vs 41% in 2022). With regard to national and international innovation scope, 16% of entrepreneurs provided products or services that were new nationally or new to the world in 2023 (vs 23% in 2022).
- Nearly 30% of U.S. entrepreneurs used technology and procedures that are new, primarily at a local level, to produce and/or deliver their products or services.
- Job creation expectations increased by one third in 2023 compared to the previous year: 72% of entrepreneurs stated that they expected to create at least one job in the next 5 years. Among the 15 high-income economies participating in the GEM 2023 survey, the U.S. entrepreneurs had high job expectations, with the percentage of entrepreneurs who expected to create six or more jobs outpacing all other countries, except Qatar and Saudi Arabia.
- Among established business owners, two thirds currently have at least one employee, while 12% employ 20 or more. With respect to new job creation, just over 27% of established business owners expected to create at least one new job in the next 5 years, two thirds predicted no new jobs, and 6% projected they would have fewer employees.
- Regarding geographic reach, 42% of U.S. entrepreneurs expected to develop a national market for their products and services, and an additional 27% anticipated entering international markets.

## Societal attitudes and self-perceptions

- Among U.S. adults, 79% stated that entrepreneurship is a desirable career choice in 2023, continuing the consistent increase in this indicator over the previous 5 years. 81% of U.S. adults cited positive representations of successful entrepreneurs in the media, a slight increase from 2022. Finally, perceptions of the status of entrepreneurs have remained largely stable over the past several years, with 79% of respondents expressing that they thought entrepreneurs had high status in 2023.
- However, beliefs about the ease of starting a business have experienced a marked decline in the past 2 years of GEM, dropping to 56% in 2023.
- Meanwhile, perceptions of entrepreneurial opportunities increased by 17% from 2022, rising to 54% in 2023—this suggests a positive result, but this indicator is characterized by considerable fluctuation over time.
- Respondents' self-perceptions of their capabilities to start an entrepreneurial venture declined by one fifth compared to the previous year, falling to 45% in 2023.
- Fear of failure among respondents seeing opportunities gradually increased over the past 5 years to reach 45% in 2023.
- The proportion of individuals who know an entrepreneur has steadily declined from a high of over 60% in 2019 and 2020 to 45% in 2023, representing a drop of one fifth in 2023 over the previous year alone.

## Gender in entrepreneurship

- Societal attitudes about entrepreneurship as a career choice, the status of entrepreneurs, and media representations of entrepreneurs all registered little change in 2023 from the previous year—they remained at high levels, with around 80% of the adult population of both genders responding positively.
- On the other hand, respondents' confidence in the ease of starting a business dropped in 2023, to 53% for women and 59% for men, which is the lowest level for both genders since this question was added to the GEM survey in 2019. Additionally, fewer than half of women (42%) and men (47%) stated they knew an entrepreneur personally—this is the first time this fell below one half in the 5-year period from 2019 to 2023.
- Half of women (vs 57% of men) perceived entrepreneurial opportunities around them, which represented a slight rise from 2022, but still remained below the level reported before the pandemic. Perceptions of entrepreneurship capabilities exhibited a sharp decline, falling by over one quarter for both genders (to 43% for women and 55% for men). Fear of failure among women who perceived entrepreneurial opportunities rose to 50%, while remaining steady for men at 40%.
- Entrepreneurial intentions—plans to start a business in the next 3 years—among women declined to 11% (men's intentions fell to 14%). TEA rates also declined for both genders (to 13% for women and 16% for men). EBO also dropped (to 6% for women and 8% for men). Among the 15 high-income economies participating in GEM in 2023, the United States scored higher than the average for both genders on TEA, but for EBO, women were average and men were below average.
- The prominence of necessity motives—i.e., starting a business because of job scarcity—remained relatively stable for women entrepreneurs in 2023 (60%), but increased by a quarter for men entrepreneurs (64%).
- In 2023, the rate of business closures among women dropped markedly (to 2%), while it continued its upward trajectory for men (to 6%). The proportion of women who exited a business that continued to operate declined to little more than 1% in 2023 (vs 3% for men). The top reason for closing or exiting a business was a lack of profitability (for 15% of women and 24% of men).
- Wholesale/retail businesses represented the largest category of industry sector participation for both genders, accounting for about 43% of women and men entrepreneurs. Women narrowed the gender gap in starting ICT businesses (8% of women vs 9% of men).
- In 2023, 73% of women entrepreneurs expected to create at least one job in the next 5 years—higher than the previous 4 years and nearly equal to that of men (71%). However, men were more likely to project six or more jobs, while women were more likely to anticipate one to five jobs. Among established business owners, 84% of women predicted no new jobs or job losses (vs 64% of men).
- Nearly half of women entrepreneurs (46% vs 38% of men) reported serving national markets, while 22% reached international markets (32% of men).
- The majority of both women and men entrepreneurs (69% and 61%) did not feel they were introducing new products or services with their ventures. One fifth of both genders stated that they had new offerings locally, while 8% of women and 13% of men cited that their products or services were new at a national level. Few women entrepreneurs (4% vs 6% of men) stated they were introducing products or services that were totally new to the world.

## Race and ethnicity characteristics of entrepreneurs

- Compared to White people, Black and Hispanic people reported more positive attitudes toward entrepreneurship as a career choice (87% for Black and Hispanic respondents vs 78% for White respondents), as well as increased beliefs about media attention for entrepreneurship in 2023 (88% and 86% respectively vs 79% for White people). However, White respondents reported more positive impressions of the status of entrepreneurs in society (83%) compared to Black (75%) and Hispanic (74%) people.
- For both the White and Hispanic groups, fewer people expressed that they felt it was easy to start a business, falling to 54% and 61% respectively in 2023. By comparison, more people in the Black population (67% in 2023) stated it was easy to start a business.
- Black people were more likely than the other two groups to state that they saw opportunities around them to start a business in 2023 (69% of Black respondents vs 52% of White respondents and 54% of Hispanic respondents). This was a similar rate to the previous 2 years.
- Black people were also more likely than White or Hispanic people to believe they had the capabilities needed to start a business in 2023 (63% of Black respondents vs 46% of White respondents and 49% of Hispanic respondents). This indicator was also highest among Black people in 2021 and 2022.
- In addition, among those seeing opportunities, Black people had lower fear of failure than the other two groups in 2023 (38% of Black respondents reported fearing failure vs 47% of White respondents and 53% of Hispanic respondents).
- Less than half (48%) of Hispanic people stated they personally knew an entrepreneur in 2023, lower than the rate reported by Black people (56%) but higher than that reported by White people (39%).
- In 2023, the Black and Hispanic groups exhibited a similar level of entrepreneurial intentions (16% and 17% respectively vs 10% for White people), while EBO was similar for all three groups (7%). Business closures remained relatively low for all of the groups in 2023 (7% for Black respondents, 6% for Hispanic respondents, and 3% for White people). Finally, Black people exhibited a much higher TEA rate (24%) than Hispanic people (13%) and White people (12%).
- Among both the Black and Hispanic groups, the majority of entrepreneurs in 2023 cited building wealth or generating high income as a major motivator for starting their businesses (85% and 93% respectively vs 57% for White people).

## Social and environmental sustainability

- In 2023, 54% of entrepreneurs surveyed stated that they prioritized the social and/or environmental impact of their businesses above profitability and growth, whereas only 34% of established business owners indicated this. This represented a decline for both groups, compared to the previous 2 years.
- Among entrepreneurs, 55% stated that they took steps to minimize the environmental impact of their businesses in both 2022 and 2023, while just 36% of established business owners stated they did so in 2023, one third less than in 2022.
- In 2023, 45% of entrepreneurs and 28% of established business owners indicated they took action to maximize social impact, which was lower than the previous 2 years.
- There were gender differences when it came to prioritizing sustainability and taking steps to minimize environmental and maximize social impact, but it should be noted that men entrepreneurs were higher on some indicators, while women were higher on others.
- Young entrepreneurs (18–34 years) were more likely to prioritize sustainability and take steps to minimize environmental impact and maximize social impact than older entrepreneurs (35–64 years).
- Innovative entrepreneurs and established business owners were highly likely, and consistently more likely than their non-innovative counterparts, to prioritize and take steps toward sustainability.

**The United States economy  
in 2022–2023**

**Introduction**

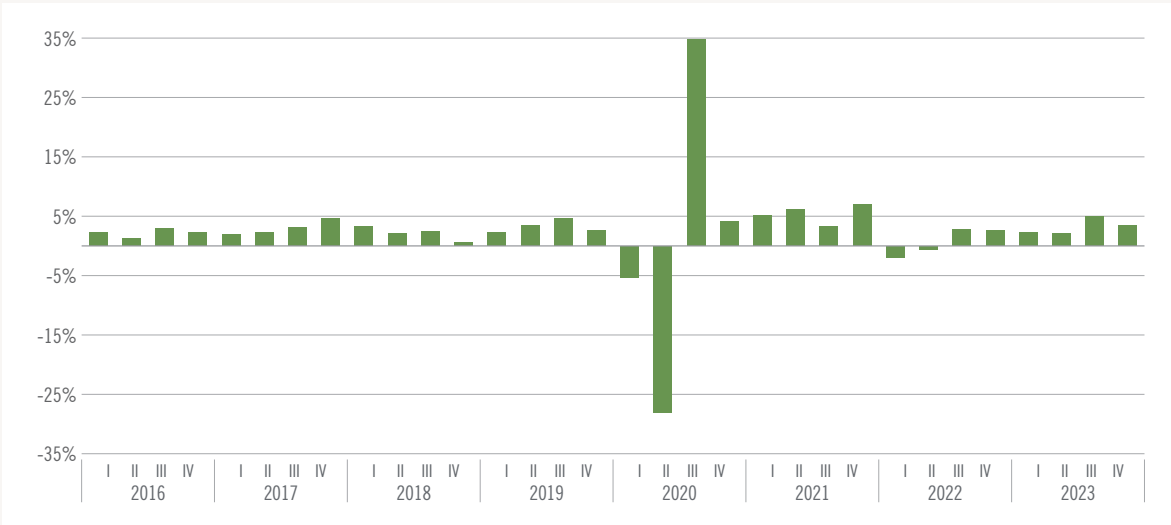


The Global Entrepreneurship Monitor Adult Population Survey (GEM APS) is collected in May and June in the United States and other participating economies every year. The survey measures entrepreneurial intentions, activities, and outcomes, which are generally affected by the economic conditions in the 12 months before the survey. In addition, some entrepreneurial measures, such as intentions, could be affected by the expected economic outlook at the time of the survey collection. Hence, this section will review the state of the U.S. economy during the year prior to the survey and for the two quarters after that (in other words, from the third quarter of 2022 to the end of 2023).

In the second half of 2022 and throughout 2023, the U.S. economy demonstrated remarkable resilience amid global uncertainties, being marked by substantial growth, declining inflation, and a robust labor market. However, it was hampered by substantial inflation (although on a declining trend), high interest rates, and fraught geopolitical conditions, such as disruptions to international trade. These key developments affected entrepreneurs, potential entrepreneurs, and established business owners—and in turn shaped the results discussed in this report.

After two quarters with negative growth rates, the last two quarters of 2022 offered annualized growth rates of 2.7% and 2.6% of the U.S. real gross domestic product (GDP). This was primarily driven by: consumer spending; exports; state, local, and federal government spending; and investment. In 2023, the U.S. real GDP increased by 3.2% over the four quarters, surpassing the pre-pandemic average growth rate of approximately 2.4%. As depicted in Figure 1, by the time of the 2023 GEM survey data collection in May 2024, the economy had been growing for the past four quarters. The growth rate accelerated rapidly to 4.9% in the third quarter of 2023, ending the year at 3.4%. This was primarily driven by resilient consumer spending, which increased across all major subcategories of consumption, particularly durable goods like motor vehicles. State and local government purchases also contributed significantly, growing at a robust pace of 4.5%.

Figure 1: Percentage change in real GDP from the preceding quarter (seasonally adjusted annual rates)

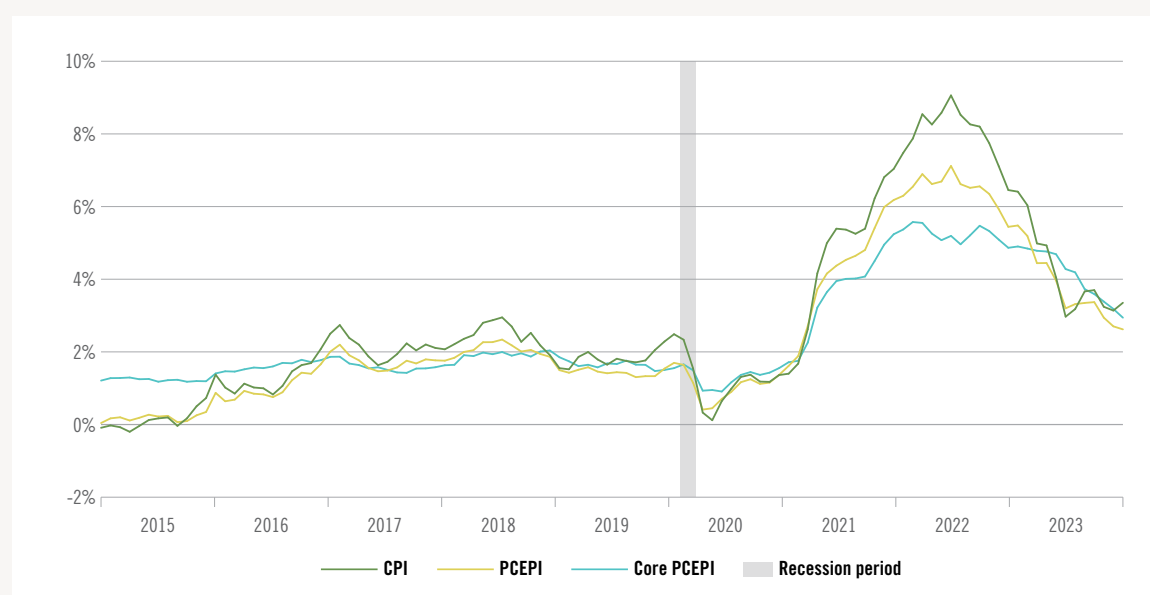


Source of data: U.S. Bureau of Economic Analysis, Real Gross Domestic Product [A191RL1Q225SBEA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/A191RL1Q225SBEA>, May 28, 2024.

The main economic indicator followed by analysts in 2022–2023 was inflation. The pandemic-related stimulus packages, the large savings households accumulated during the pandemic, and the strong labor markets (low unemployment rates coupled with rising wages) kept aggregate demand high and led to a continuous rise in prices. As depicted in Figure 2, all three measures of inflation followed a similar pattern. By June 2022, the year-on-year inflation in the Consumer Price Index (CPI) peaked at 9.1% (Figure 2). Other, more robust measures of inflation calculated based on the Personal Consumption Expenditure Price Index (PCEPI) and on the PCEPI excluding food and energy (core PCEPI) also peaked at around the same time. The year-on-year change in core PCEPI, which is the preferred measure of inflation of the U.S. Federal Reserve (the Fed), peaked in February 2022 at 5.4% and remained relatively stable around 5% well into 2023.<sup>1</sup>

These trends and the strong labor market made it clear to the Fed that inflation was going to be more permanent than was originally thought, and serious action was necessary to bring it down. Therefore, starting in March 2022, the Fed raised the federal funds rate (the basis of interest rates in the economy) continuously from near-zero levels (0.08%) to 5.3% by August 2023 (Figure 3). This rapid increase successfully reduced CPI-based inflation from its peak of 9.1% to about 3.4% by the end of 2023. The core PCEPI-based inflation rate, however, responded more slowly. Still, it started to decline in early 2023, about a year after the Fed began raising interest rates. By the end of 2023, it had reached 2.9%. The Fed's clear and frequent communication that it is committed to raising interest rates until inflation is under control has been effective.<sup>2</sup>

**Figure 2: Inflation rates (year-on-year change in CPI, PCEPI, and core PCEPI)**



Source of data: authors' calculation from CPI, PCEPI, and core PCEPI data.

CPI data: Organization for Economic Co-operation and Development (OECD), CPI: Total All Items for the United States [CPALTT01USM657N], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPALTT01USM657N>, June 12, 2023.

PCEPI data: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures: Chain-type Price Index [PCEPI], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCEPI>, June 12, 2023.

Core PCEPI data: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures Excluding Food and Energy (Chain-Type Price Index) [PCEPILFE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCEPILFE>, May 28, 2024.

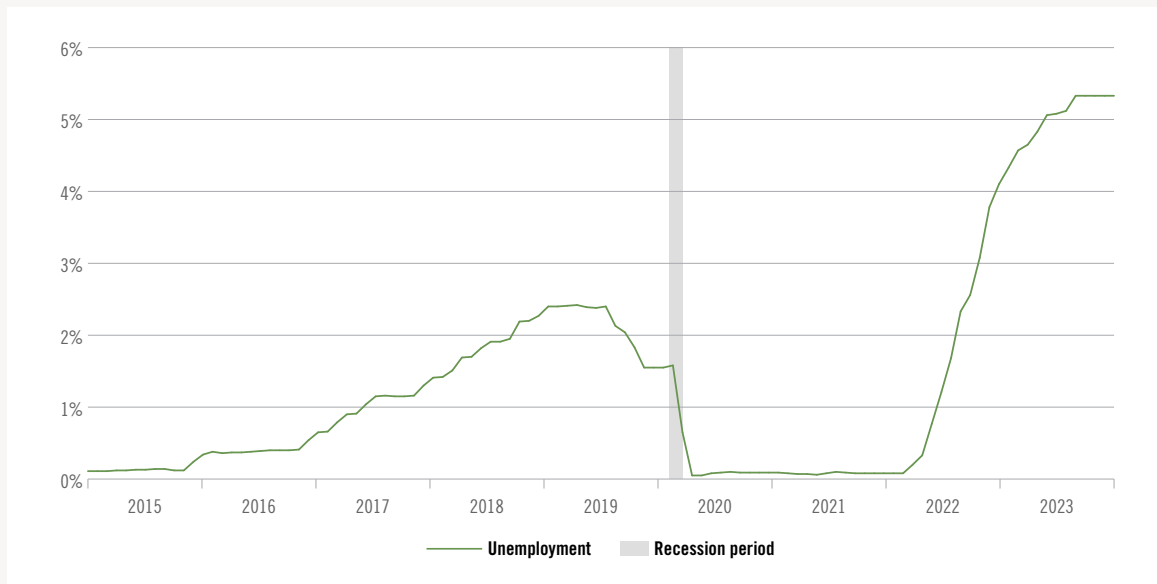
<sup>1</sup> There are several reasons for this. First, it covers a broader set of goods and services. For example, PCEPI includes goods and services purchased by governments, firms, and non-profit institutions on behalf of consumers (such as health insurance), but CPI does not. Second, PCEPI allows us to account for substitution in consumption. When prices rise, households shift their consumption from more expensive goods to less expensive ones. This means the effective price a consumer observes can be lower than if they were consuming the same basket of goods and services as before. PCEPI and core PCEPI adapt more quickly than CPI to changes in consumption patterns. Third, core PCEPI excludes food and energy prices, which tend to be volatile and give inaccurate signals on the direction of change in the overall prices in the economy. There are other benefits to PCEPI that are more technical or less important than those mentioned here.

<sup>2</sup> According to the last data points available when this report was written, the CPI, PCEPI, and core PCEPI inflation rates reached 3.5%, 2.7%, and 2.8%, respectively, by March 2024.



Since August 2023, the Fed has kept its federal funds rate steady at 5.3%. It is anticipated that the Fed will wait for the interest rate to work its way through the economy before making any further decisions.

**Figure 3: Federal funds rate, 2015–2023**

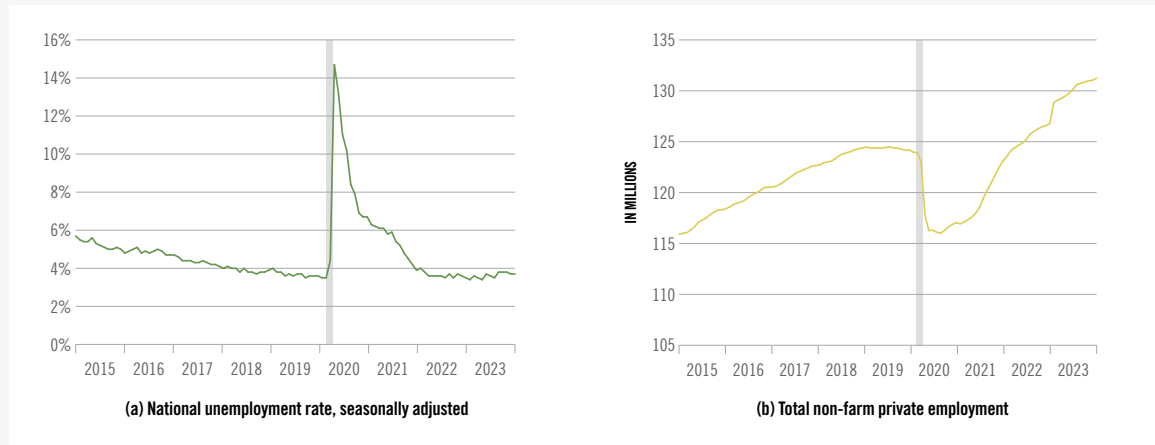


Note: The gray box shows the recession period. Each tick mark on the horizontal axis shows the beginning of the year.

Source of data: Board of Governors of the Federal Reserve System (U.S.), Federal Funds Effective Rate [FEDFUNDS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/FEDFUNDS>, May 28, 2024.

The substantial increase in interest rates brought a fear of recession throughout the second half of 2022. In the past, recession has been rarely avoided after the Fed has raised interest rates. Nevertheless, strong consumer spending, tight labor markets, and the fact that households were buffered by the savings they accumulated during the pandemic provided hope. The economic prospects of the United States remained uncertain at that time, but later developments in 2022 and 2023 showed that fears of a recession might not be justified. Consumer spending and labor markets remained very strong, and economic activity continued to increase in these years (as depicted in Figure 1).

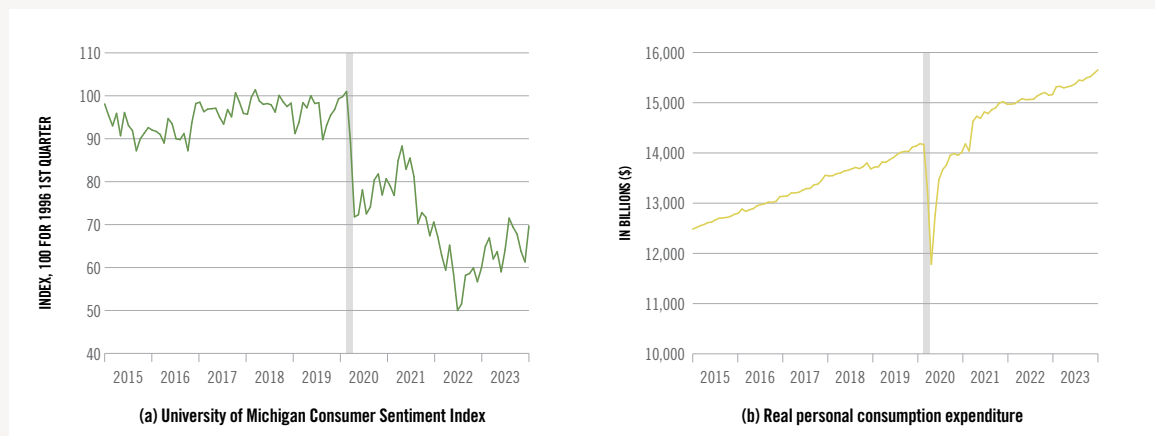
It is particularly notable that the labor markets remained strong throughout this period. Unemployment remained stable below 4%, a very low level (Figure 4a), for the entire period, and the total non-farm private employment substantially increased (Figure 4b). It gradually became clear that the Fed had managed to make a soft landing, bringing down inflation without ushering in a recession. The U.S. economy beat expectations and showed, yet again, its resilience and vigor.

**Figure 4: National unemployment rate and total non-farm private employment, 2015–2023**

Note: The gray box shows the recession period. Each tick mark on the horizontal axis shows the beginning of the year.

Source of data: (a) U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UNRATE>, May 28, 2024; (b) Automatic Data Processing, Inc., Total Nonfarm Private Payroll Employment [ADPWNUSNERSA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ADPWNUSNERSA>, May 28, 2024.

Despite these developments, the public remained pessimistic about the economy, and consumer confidence, measured by the University of Michigan Consumer Sentiment Index, remained low (Figure 5a). This could be attributed to the high inflation and rising interest rates in the last two quarters of 2022 and throughout 2023. However, real wage increases and low unemployment rates helped mitigate the burden of inflation and interest rates, and so consumer sentiment began to increase slowly in 2023. Moreover, real personal consumption expenditures remained robust, with growth in both durable and non-durable goods and services (Figure 5b). Still, despite these positive developments, the Consumer Sentiment Index remained relatively low—the general public felt concerned.

**Figure 5: University of Michigan Consumer Sentiment Index and real personal consumption expenditure, 2015–2023**

Note: The gray box shows the recession period. Each tick mark on the horizontal axis shows the beginning of the year.

Source of data: (a) Surveys of Consumers, University of Michigan, University of Michigan: Consumer Sentiment © [UMCSENT], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UMCSENT>, May 28, 2024; (b) U.S. Bureau of Economic Analysis, Real Personal Consumption Expenditures [PCEC96], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCEC96>, May 28, 2024.

The stock market experienced volatility in the last two quarters of 2022 and throughout 2023 due to rising interest rates and high-profile bank failures, which briefly affected credit availability. Nevertheless, stock market indices, such as S&P500 and NASDAQ Composite Index, surprised many by growing during this period. Technological advancements, particularly the introduction of a new generation of large language models and generative artificial intelligence (AI), played a vital role in shaping stock market outcomes.

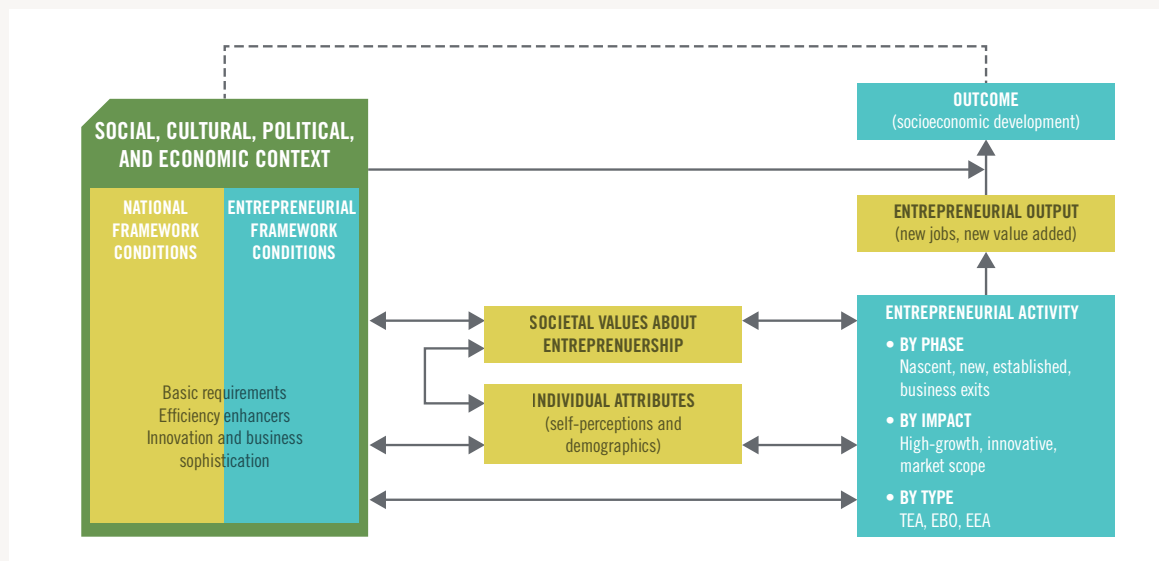
Overall, the U.S. economy has shown resilience in the 2022–2023 period, although inflation and higher-than-normal interest rates gave entrepreneurs cause for caution.

### Background to GEM

GEM is the world's largest and longest-running study of entrepreneurship worldwide. Since its founding survey in 1999, GEM has become the most trusted and frequently used source of entrepreneurship data and information among academics, practitioners, and policymakers. GEM collects data on various indicators, such as the rate and characteristics of entrepreneurs and their businesses; the entrepreneurial attitudes, affiliations, and self-perceptions in a society; and expert opinion on national conditions for entrepreneurship.

Figure 6 illustrates the GEM Conceptual Framework, depicting the relationship between entrepreneurship and the context in which this takes place. This figure shows that the social, cultural, political, and economic context influences one's decision to start a business, alongside such variables as the entrepreneur's motivations and ambitions, the industry sector in which the entrepreneur operates, and the scope and innovativeness of the business. These characteristics, in turn, influence the business's effects on wider society, including job creation, value creation, and, eventually, socioeconomic development. At the same time, these actions may influence societal values surrounding and perceptions of entrepreneurship, ultimately leading to more positive conditions for the next generation of entrepreneurs.

**Figure 6: The GEM Conceptual Framework**



Source: GEM Global Report, 2023–2024

GEM data collection involves two primary research tools: the Adult Population Survey (APS), which is based on a random sample of at least 2,000 individuals in each participating economy, and the National Expert Survey (NES), which includes at least 36 national experts per economy. In each participating economy, the APS and NES are overseen by a GEM national team, which comprises researchers from major academic institutions and, in some cases, other organizations with research interests in entrepreneurship. The GEM U.S. national team is based at Babson College. In 2023, the team collected responses from 3,200 adults for its APS and from 41 experts for its NES.

This report focuses on data from the APS, while NES data are used primarily for the Global Report. It is, however, worth noting some trends from the U.S. NES. Since the NES has a smaller sample size, only general comparisons are possible. Still, NES data for the United States from 2021 to 2023 reveal a number of shifts and trends affecting entrepreneurship, with various underlying reasons potentially contributing to this. First, both the availability and ease of access to funding for new startups have declined, likely due to economic uncertainties that negatively affect investor confidence alongside tighter financial markets with stricter lending criteria. Government policy support and relevance have also consistently declined, reflecting challenges in policy effectiveness and potentially changing government priorities. However, views on government tax policy and bureaucracy improved slightly from 2022 to 2023 after dropping the previous year. This could reflect efforts to create a more favorable regulatory environment for new businesses. Government entrepreneurship programs, meanwhile, experienced a gradual decline, possibly due to budget constraints or else focus shifting away from startup support.

Entrepreneurship education at the school level has improved, perhaps indicating an increased emphasis on K-12 entrepreneurship education. Meanwhile, post-school entrepreneurship education has remained relatively stable in the past 3 years. Research and development transfers, however, have declined, highlighting challenges in translating research into new businesses. Similarly, the quality of commercial and professional infrastructure has dropped, likely influenced by economic disruptions and continued supply chain issues. Market dynamics and ease of entry have declined as well, indicating that there are bigger regulatory hurdles and possible market saturation in certain sectors of the economy. Physical infrastructure, while still rated highly, has also declined, possibly due to aging infrastructure and underinvestment. Finally, social and cultural norms that encourage and celebrate entrepreneurship showed a slight decline from 2021, potentially reflecting broader societal shifts and changing attitudes toward entrepreneurship. These trends suggest that the entrepreneurial environment in the United States is currently rather challenging, with notable declines in key areas that are essential for supporting new business ventures.



### **Jeff Ernst – Founder, SlapFive**

After conducting interviews with more than 2,000 B2B buyers, Jeff Ernst knows a thing or two about how people buy technology—and often, it's not the sales reps or marketing materials that drive conversion. Potential buyers want to hear what being a customer and user of this technology is like from their peers. Jeff founded SlapFive to bridge this trust gap. SlapFive is the first customer marketing software platform that automates and scales all the critical workflows for marketing to, with, about, and for customers. B2B companies use SlapFive to power customer-led growth initiatives that drive customer acquisition, adoption, expansion, and retention.

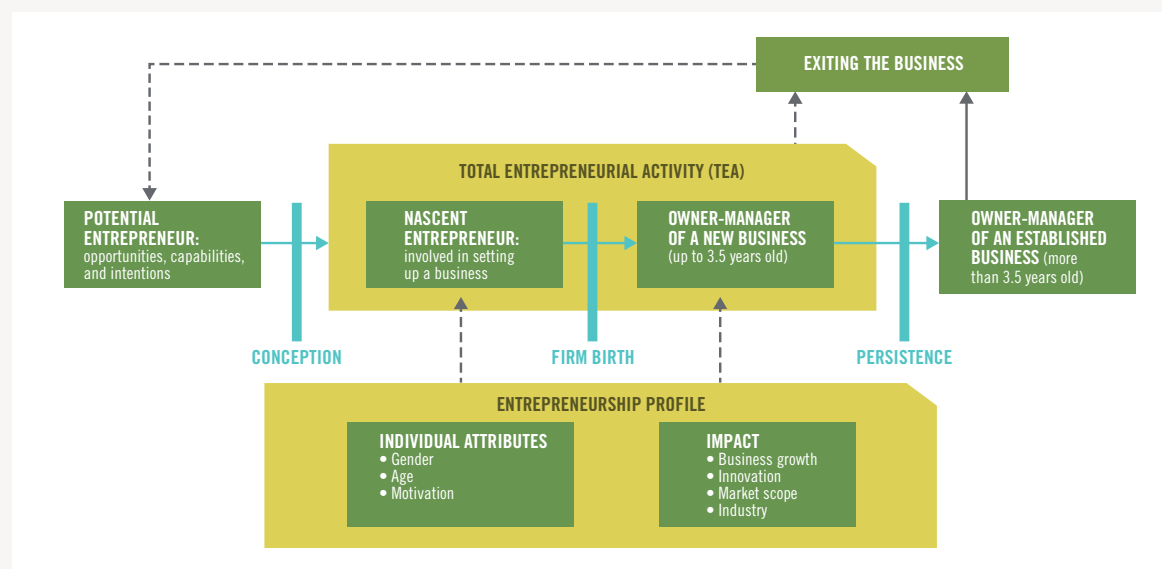
Table 1: NES 2021–2023 ratings of entrepreneurial conditions

CONDITIONS	2021	2022	2023
<b>Entrepreneurial finance:</b> there are sufficient funds for new startups	6.2	6.0	4.9
<b>Ease of access to entrepreneurial finance:</b> there are sufficient funds for new startups and those funds are easy to access	5.1	5.0	4.2
<b>Government policy—support and relevance:</b> policies promote and support startups	4.2	3.9	3.8
<b>Government policy—taxes and bureaucracy:</b> new businesses are not overburdened	5.3	4.8	5.0
<b>Government entrepreneurship programs:</b> quality support programs are widely available	4.2	4.0	3.8
<b>Entrepreneurial education at school:</b> schools introduce entrepreneurial ideas	3.2	3.5	3.6
<b>Entrepreneurial education post-school:</b> colleges offer courses in how to start a business	5.0	4.7	4.8
<b>Research and development transfers:</b> research is easily transferred into new businesses	4.7	4.1	3.9
<b>Commercial and professional infrastructure:</b> quality services are available and affordable	6.4	6.4	5.6
<b>Ease of entry—market dynamics:</b> markets are free, open, and growing	5.6	5.4	4.9
<b>Ease of entry—burdens and regulations:</b> regulations encourage rather than restrict entry	4.7	4.9	4.2
<b>Physical infrastructure:</b> infrastructure is good quality, widely available, and affordable	7.5	7.4	6.8
<b>Social and cultural norms:</b> norms encourage and celebrate entrepreneurship	7.0	7.0	6.7

Note: Scores range from 1–10. More global comparisons can be found in the GEM 2023/2024 Global Report: <https://gemconsortium.org/reports/latest-global-report>.

Figure 7 illustrates key entrepreneurship variables composing the GEM APS. Total entrepreneurial activity (TEA) includes entrepreneurs who are in the nascent phase, who have paid wages for less than 3 months, and new entrepreneurs, who have paid wages for more than 3 months but less than 3.5 years. GEM considers those who have paid wages for 3.5 years or more to be established business owners. GEM collects additional information on those who identify as entrepreneurs or established business owners, assessing their individual attributes and impact characteristics of their businesses. Additionally, GEM captures data on those who have left a business in the past year, whether or not the business continued without them.

Figure 7: The entrepreneurship process and GEM indicators



Source: GEM Global Report, 2023–2024

### The 2023 United States National Report

This report begins with an assessment of participation in various business phases in Chapter 1, from entrepreneurial intentions through business closure. Chapter 2 covers the impact of entrepreneurship and established business ownership (EBO), including industry sector participation, job creation expectations, market scope, and innovation. Chapter 3 reviews societal attitudes about entrepreneurship, affiliations with entrepreneurs, and self-perceptions of entrepreneurship. Chapter 4 focuses on women's entrepreneurship, exploring gender characteristics across the range of GEM indicators. Chapter 5 presents GEM results by race and ethnicity, with a comparison of the White, Black, and Hispanic populations. Finally, Chapter 6 is a review of the social and environmental impact of entrepreneurs and established business owners. The report concludes with key implications.

### The GEM U.S. team would like to recognize the following individuals who served as experts for the 2023 report:

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Karl Brewer, Founder at Cervecero Investments

Les Charm, Partner at Leslie Charm & Associates

Warren Cross, Chief Executive Officer/President at Cross Services Group, Inc.

Geoffrey Duke, Chief Executive Officer/Founder at Mpay

Jed Dunn, Partner at Triath Growth Ventures

Kelly Dyer, Chief Executive Officer/Founder at SourceFuse

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Alex Tarumianz, Angel Investor at Blank Slate

Sarah Truglio, Director at University of Montana

Megan Way, Associate Professor at Babson College



### Vivian Nguyen – Co-Founder, Legislaide

Vivian Nguyen co-founded Legislaide, a legislative AI co-pilot tool to aid local governments in streamlining their day-to-day legislative tasks. Legislaide began as a personal solution to streamline Vivian's city council workload and has now evolved into an application advised on and built by local government staff to help address skill and labor gaps within local governments. As of today, Legislaide has directly impacted over 440,000 people.



# Entrepreneurial activity and business phases

01





**Tina Lee – Co-Founder, PETCH**

Inspired by the loss of her beloved poodle mix, Cookie, due to late disease detection, Tina Lee co-founded PETCH to simplify pet health and shift from reactive to proactive care. PETCH transforms complex medical data into easy-to-understand insights, enhancing care quality and supporting veterinarians. By promoting proactive health measures, PETCH aims to increase pet longevity and improve veterinarians' high-stress environments by using their time more efficiently.



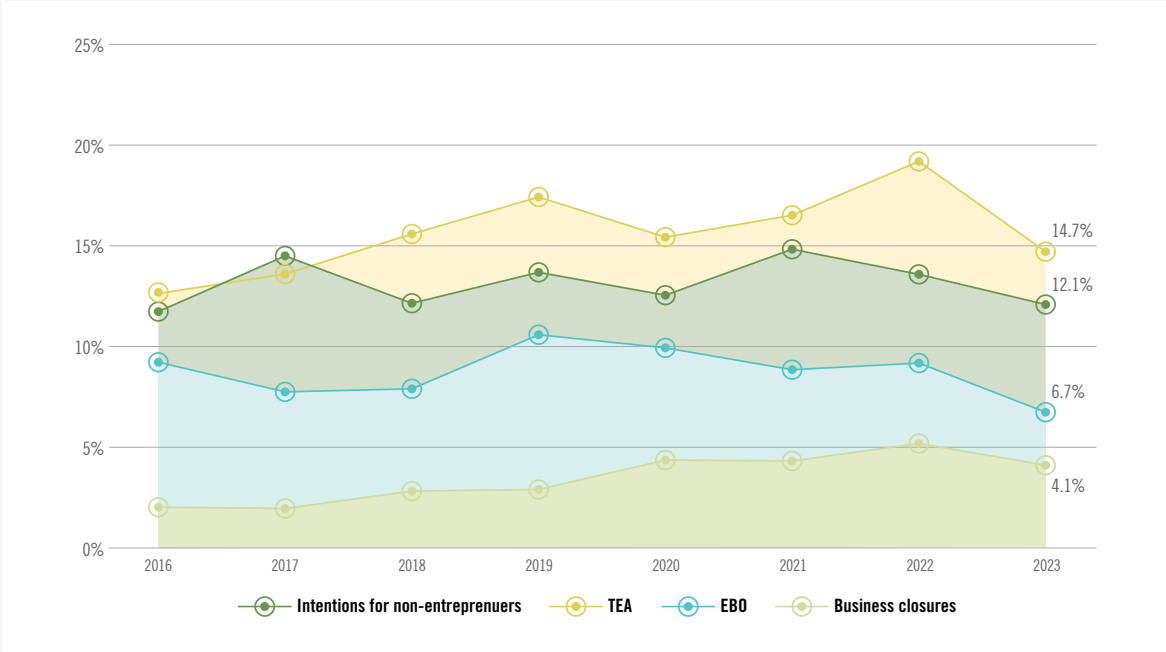
Phases of business activity

Entrepreneurial intentions, TEA, and EBO all experienced a slight decline in 2020, along with a small increase in the business closure rate (Figure 8). This occurred during the first year of the COVID-19 pandemic, as Americans were experiencing lockdowns, job losses, and uncertainty. Intentions and TEA rates then increased slightly in 2021, even as the pandemic was still imposing restrictions and anxiety on American society. Perhaps more people were considering venturing into entrepreneurship as a more viable career path than what was otherwise available at the time.

In 2022, intentions started to decline, dropping further in 2023. TEA rates continued upward in 2022, reaching their highest level since GEM began in 1999, but then dropped in 2023—and quite substantially, by nearly one quarter compared to the 2022 number. Since 2019, EBO rates have been on a downward trend, ultimately dropping by more than one quarter in 2023 from 2022. At the same time, business closures increased through 2022, exhibiting only a small downward dip in 2023.



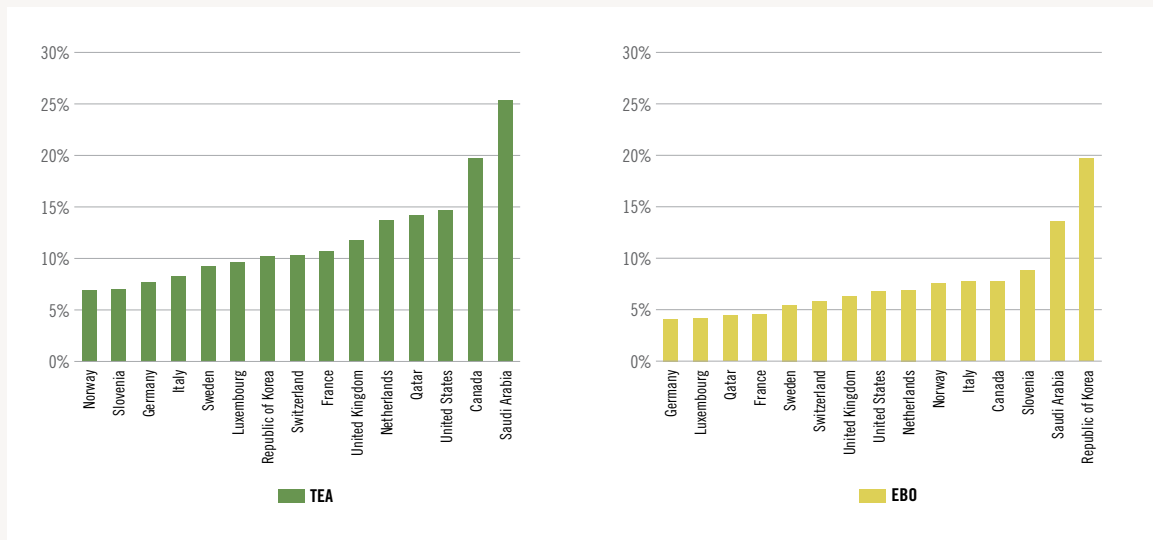
Figure 8: Phases of business activity in the adult population of the United States, 2016–2023 (percentage of population aged 18–64)



Source: GEM United States, 2016–2023

Figure 9 shows TEA and EBO rates for 15 high-income countries (with more than \$50,000 GDP per capita). The United States is above average with regard to TEA and just below average for EBO. The average TEA rate for the 15 economies (12%) is higher than the EBO rate (8%). Although GEM is a population survey that randomly selects adults every year, and therefore does not follow specific entrepreneurs over time to see if they maintain their businesses into maturity, it is consistently the case that TEA is higher than EBO. This is logical, in that not everyone who starts a business continues running it as it matures.

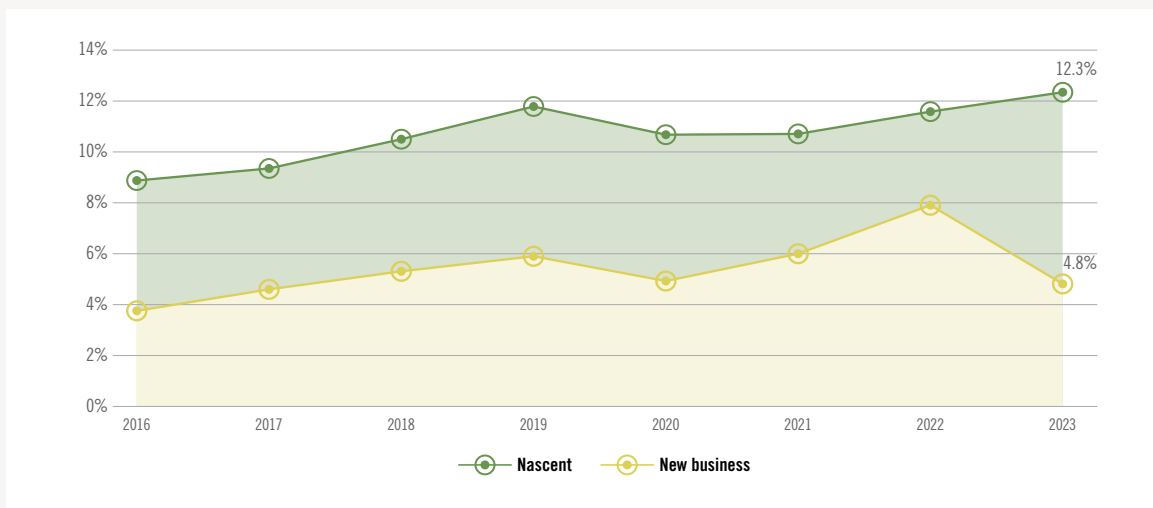
**Figure 9: TEA and EBO rates in the adult population of 15 high-income countries, 2023 (percentage of population aged 18–64)**



Source: GEM 2023

As Figure 10 shows, activity at the nascent stage of TEA remained strong in 2023, indicating that people are still entering entrepreneurship. The drop in TEA in 2023 can be wholly attributed to a nearly 40% decline in the new business stage, bringing this indicator back to its 2020 level (TEA includes nascent entrepreneurs who have been running a business for less than 3 months, alongside new entrepreneurs who have been running a business for between 3 and 42 months). This result could therefore suggest that entry into entrepreneurship remained strong in 2023, but compared to the previous year, fewer entrepreneurs persisted beyond their initial startup efforts.

**Figure 10: Breakdown of TEA by nascent and new phases, 2016–2023**

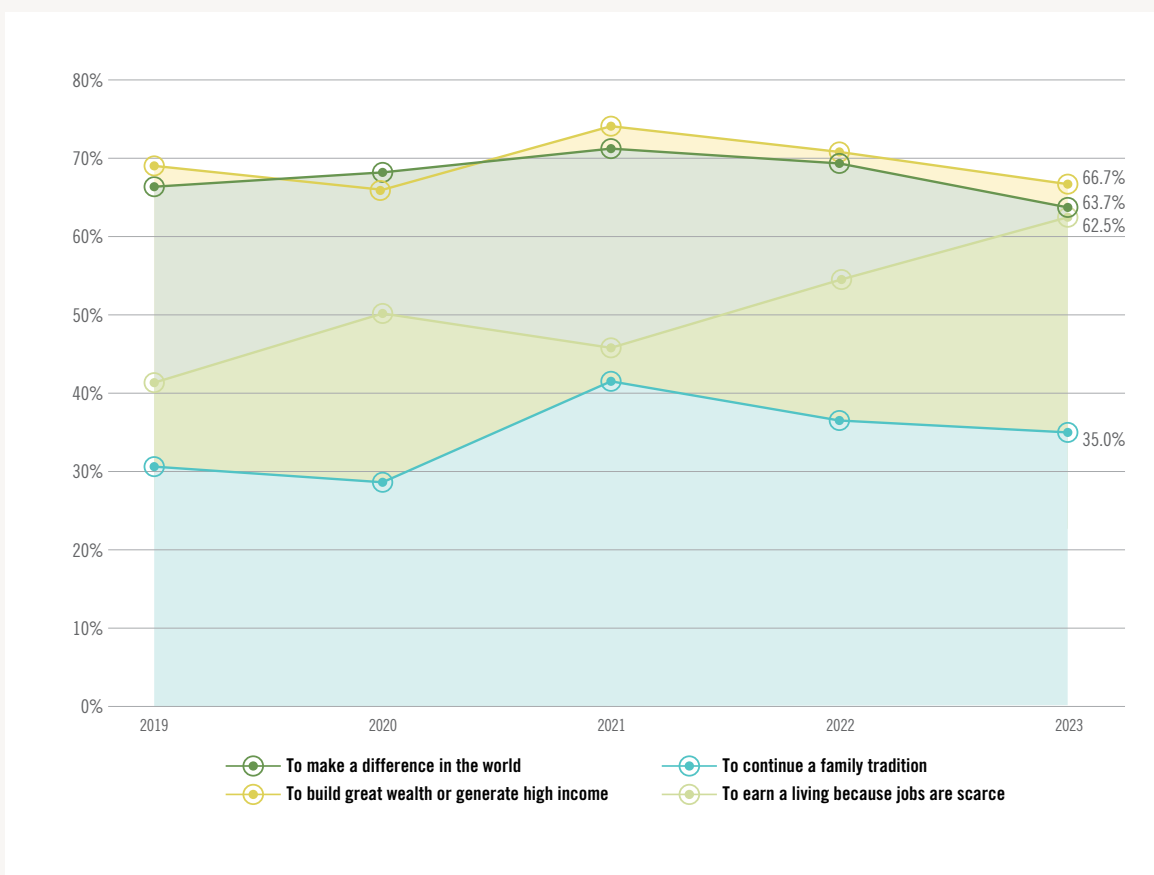


Source: GEM United States, 2016–2023

## Entrepreneurial motives

Entrepreneurs may start businesses for a variety of reasons, but GEM assesses four main motives. As Figure 11 shows, the biggest change in motivation in 2023, as well as in 2022 for that matter, related to job scarcity: greater than one third more entrepreneurs stated they started their businesses due to a lack of other job opportunities in 2023, compared to 2021. The other motives showed small declines. The increase in entrepreneurs starting businesses due to job scarcity may explain why the nascent phase remained strong, but the new business phase declined—people who were being pushed into entrepreneurship were perhaps less likely to stay with it, because they were less committed or prepared, especially if they were more inclined toward work as an employee or if the businesses they started were less sustainable.

Figure 11: Motives for starting a business among entrepreneurs in the United States, 2019–2023



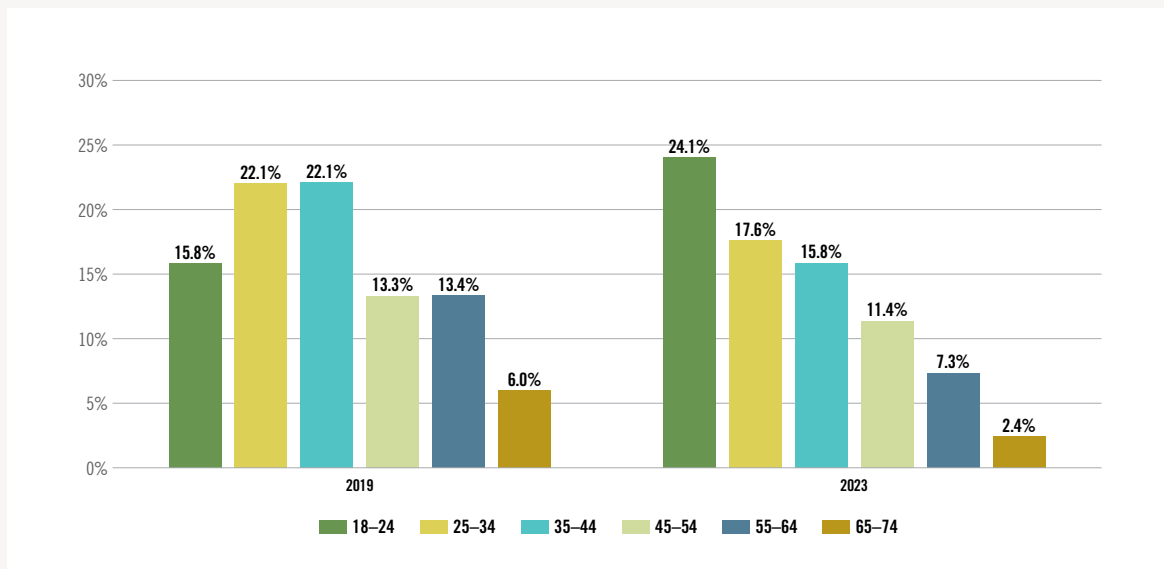
Source: GEM United States, 2019–2023

## Participation in entrepreneurship across age groups

A breakdown of business phases by age group reveals some surprising results, including high levels of entrepreneurship, entrepreneurial intentions, and discontinuation among the youngest age groups. Since GEM's beginnings, the United States has consistently showed the highest TEA rates among the 25–34 or 35–44 age group. The youngest age group, 18–24, have generally exhibited lower TEA rates, presumably because they were in college or starting their careers as employees, as well as possessing less experience, knowledge, connections, and access to resources than their older peers. However, the 2022 survey revealed a shift toward the 18–24 year olds, who reported the highest TEA rates (28%). Similar results can be seen in 2023, suggesting this is a longer term trend.

Figure 12 presents a comparison of TEA by age for 2019 and 2023. In 2019, the 25–34- and 35–44-year-olds exhibited the highest TEA rates. Then, in 2023, the highest rate of entrepreneurship, by far, was reported among 18–24-year-olds—one and a half times the rate of those aged 35–44.

**Figure 12: Breakdown of TEA by age group in the United States, 2019 and 2023**



Source: GEM United States, 2019 and 2023



### Asri Wijayanti – Founder, Mombies

Asri Wijayanti is the founder of Mombies, a platform that supports new mothers through personalized AI recommendations, expert-backed resources, and a supportive community. Mombies aims to address the physical and mental health needs of new mothers, ensuring they have the tools and support to thrive. Asri believes building connections is crucial to establishing a credible and comprehensive support platform for new mothers.

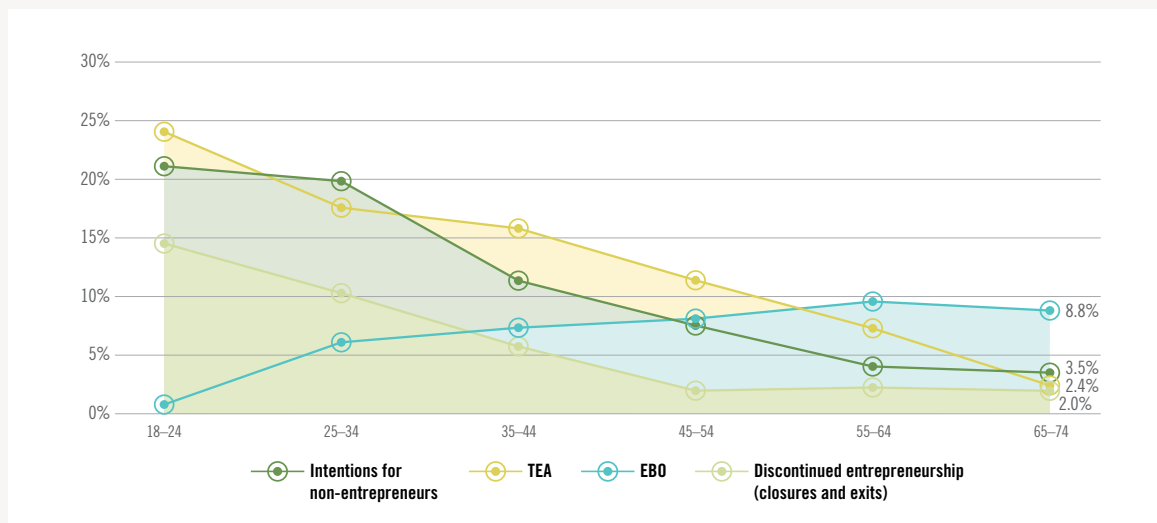
Figure 13 displays an age breakdown across multiple business phases. As this figure demonstrates, the youngest age group not only exhibits the highest TEA rate, but they also intend to start businesses in the next 3 years at a rate higher than any other age group.

At the same time, this youngest age group was also discontinuing entrepreneurship at the highest rate. This measure includes both those leaving an ongoing business and those closing a business that did not continue operating. This leads one to question whether high rates of entrepreneurship among young people can be explained by the increase in TEA due to job scarcity (including a lack of attractive jobs that these young people are willing to take on). Additionally, even if young people are jumping into entrepreneurship either because of necessity or perhaps because they want to try their hand at starting a business, if they are not equipped with the advantages of the older age groups, they may be less likely to progress beyond these initial stages—and are then more likely to leave the ranks of entrepreneurship.

Another factor to consider in this differing age profile is the comparatively low TEA rates among the two age groups that previously maintained the highest rates. As discussed above and shown in Figure 12, prior to 2023, the 25–34 and 35–44 age groups reported higher TEA rates than the 18–24-year olds. The 2023 results exhibit the opposite pattern. This elicits questions about why not as many early- and mid-career professionals are entering entrepreneurship as in the past. Could they have shifted toward a preference for work as employees, and did the pandemic have any influence on this?

The results pertaining to EBO are consistent with previous years: This rate increases with age. Given that GEM defines established businesses as operating for over 42 months, it can be assumed that it would be difficult for individuals in the youngest age group to have been running a business for at least that amount of time. On the other hand, the older age groups are more likely to have settled into running a business that was started when they were younger, whether or not they had previously experimented with other ventures or pursued various other career paths.

**Figure 13: Breakdown of phases of business activity by age group in the United States, 2023**

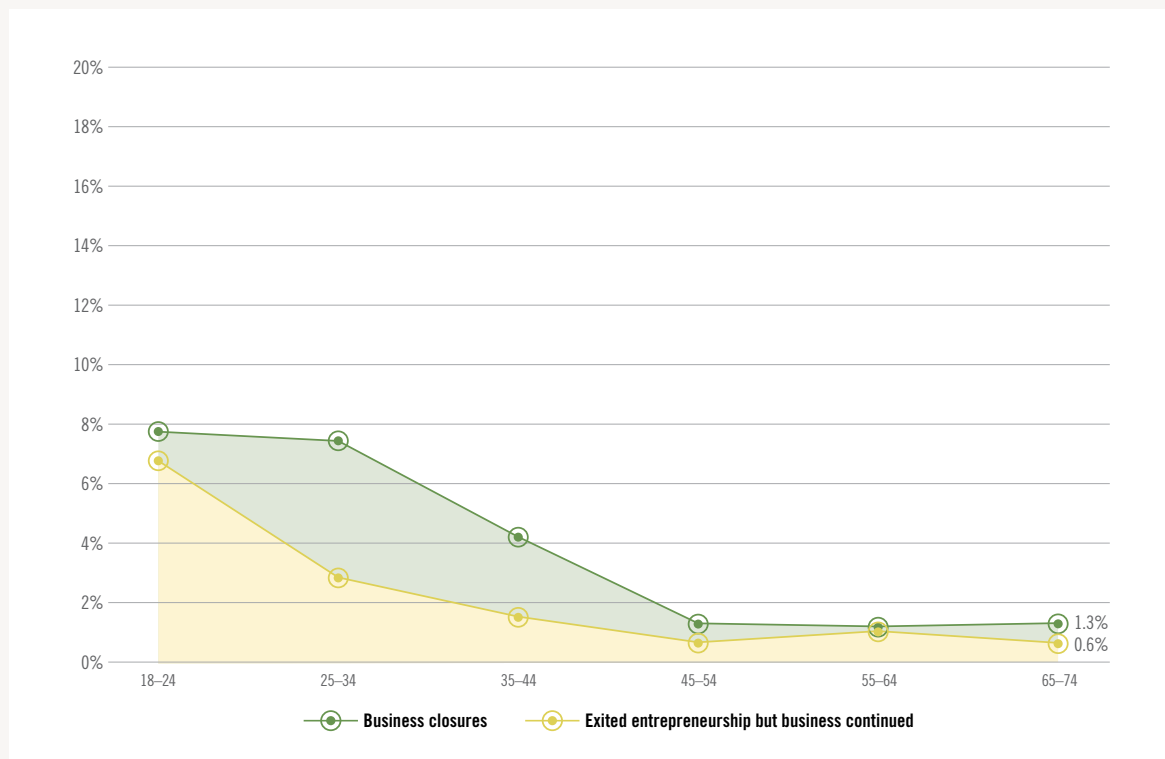


Source: GEM United States, 2023

A closer examination of discontinued entrepreneurship among the youngest age group (Figure 14) shows a high level of entrepreneurs exiting a business that continued operating, as well as business closures. For the next age group, 25–34-year-olds, entrepreneurs were about as likely as the 18–24-year-olds to have closed a business, but less likely to have exited an ongoing business. For the older age groups, the rate of both types of discontinuation decreases, which could be due to fewer people starting businesses in the first place and/or among those who do start, they are more likely to keep the business running.

Overall, these results indicate that the younger age groups are both entering and leaving entrepreneurship at high rates. The older age groups, on the other hand, are less active in the early phases, but possess a more stable profile of higher EBO and lower discontinuation.

**Figure 14: Breakdown of discontinued entrepreneurship by business closures vs exits of continuing businesses, 2023**



Source: GEM United States, 2023

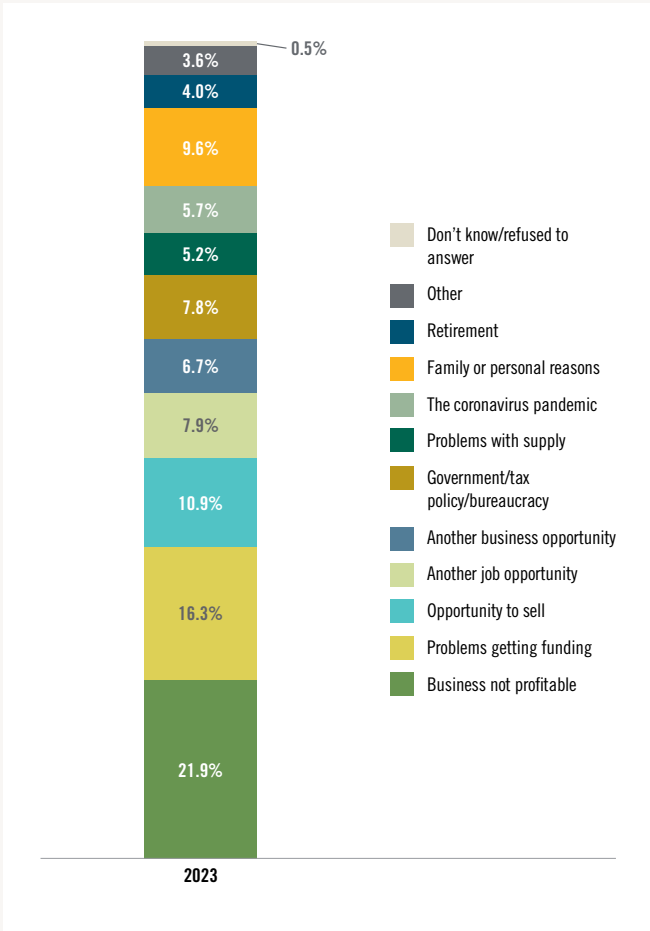


Reasons for discontinuing entrepreneurship

Figure 15 provides a breakdown of the reasons why people discontinued entrepreneurship in the previous year. This includes both business closures and entrepreneurs exiting businesses that continued operating. The majority of people who left entrepreneurship did so because the business was not profitable, with a similar percentage reported in 2022. Lack of funding was cited by only 7% of those discontinuing entrepreneurship in 2022, but this increased to 16% in 2023.

Perhaps the most positive reasons for exiting a business are selling the business and/or taking another job or business opportunity. Altogether, these accounted for one quarter of those who discontinued entrepreneurship in the previous year. This illustrates that leaving a business is not always because of failure. Still, even when that is the case, it may provide valuable experience and learning that can be applied to one’s next pursuit.

Figure 15: Reasons for discontinuing entrepreneurship in the United States, 2023



Source: GEM United States, 2023

**Mawena Tafa – Founder, Pickup Buddi**

Mawena Tafa is the founder of Pickup Buddi, a startup that provides reliable afterschool pickup services for busy parents in NYC. Pickup Buddi connects parents with trustworthy, vetted students who safely escort children from school to home or extracurricular activities. The service is designed to offer flexibility, peace of mind, and personalized care, ensuring children are engaged and supported until parents arrive home. Mawena implements rigorous screening processes, including background checks, reference checks, and interviews, to ensure the safety and reliability of her Buddis.

**Summary**

Overall, the results could suggest a slowing in entrepreneurial activity. As the introduction reveals, unemployment rates were very low in 2023, so it may have been the case that people were able to find decent jobs as employees, making entrepreneurship less attractive, at least for some. However, it should be noted that TEA rates in 2023 were still higher than they were in 2016, and intentions were at virtually the same level.

But the decline in EBO and higher rate of closures relative to 2016 are indicators to watch in the future. Going forward, growth in entrepreneurship may be skewed toward the youngest Americans, given the high levels of intentions and TEA reported among 18–24-year-olds in 2023.

# Entrepreneurial impact

02



**Aleksandr Malashchenko – Founder, ReviMo**

Aleksandr Malashchenko founded ReviMo after his grandfather became paralyzed by a stroke. The company's mission is to help people with disabilities regain their freedom and care for themselves. Aleksandr used his engineering experience in the aerospace industry to create robotic mobility devices that allow users to leave bed and go to the bathroom with dignity. Thus, he aims to help people with mobility difficulties be more independent and reduce the burden on caregivers.

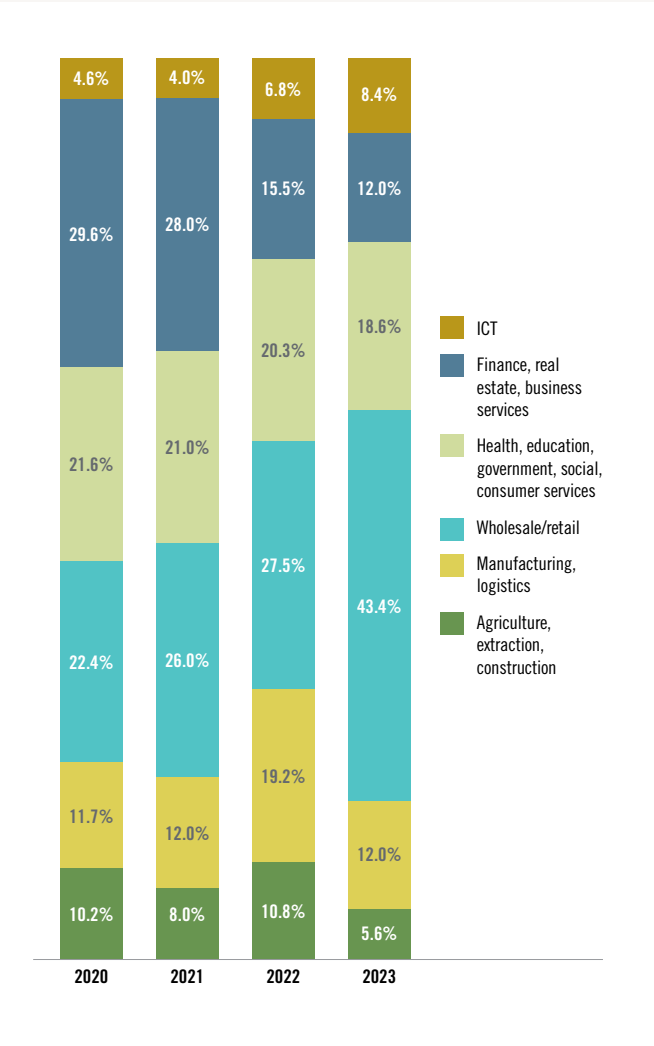


Industry sector participation

Ultimately, the decision to start a business as opposed to working for someone else is an individual one; however, industry robustness and availability of job opportunities certainly affect this decision. Local and regional entrepreneurial ecosystems, as well as the historical success and/or contemporary promotion of certain technologies, also exert their influence. Overall, the decisions of individual entrepreneurs to enter one industry over another can give us a view of the types of opportunities currently being explored.

Global trends, technological innovation, and changes in consumer tastes are typical factors that affect an individual's decision to choose one industry over another. In the aggregate, these decisions give a preview of the near-term future of business activity and signal the future evolution of industries. This variability makes tracking TEA across industry sectors a critical data point to watch in order to understand what entrepreneurs are doing today and also where and how industries may evolve in the future.

Figure 16: Industry breakdown for TEA in the United States, 2020–2023



Source: GEM United States, 2020–2023

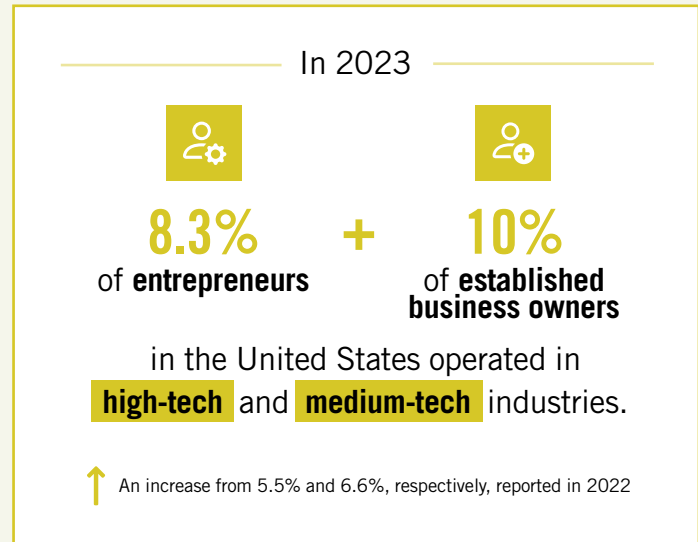
As Figure 16 shows, there has been continued growth in the wholesale/retail industry between 2020 and 2023, including a dramatic increase from 2022 to 2023. Part of this increase is likely due to the continued rebound from COVID-19, but also may be due to a downturn in the finance and real estate industries. High interest rates and mortgage costs are keeping people in their homes, even though they have spending power. As such, the decline of nearly 60% over 4 years in these industries appears to be in favor of wholesale/retail.

ICT also appears to have been making a rebound since 2020. The United States has seen entrepreneurs put a greater emphasis on knowledge-intensive industries and service-based sectors in the past few decades. Despite a dip in ICT during the pandemic and in its immediate aftermath, strong support for knowledge and tech services in the United States is returning. Entrepreneurship in the ICT sector has doubled in 2 years, from 2021 to 2023. On the other hand, as companies continue to allow employees to work from home, this may lead to some urban centers hollowing out with deleterious effects on real estate and some business services and retail. Similar downward trends are visible from 2022 to 2023 in manufacturing, logistics, agriculture, construction, and extraction.

## Technology

Technology is a primary tool used by U.S. entrepreneurs to develop, launch, and build their new businesses. Many of these entrepreneurs are not just using technology but are also leading the development of technology as they build ventures in high- and medium-technology industries.

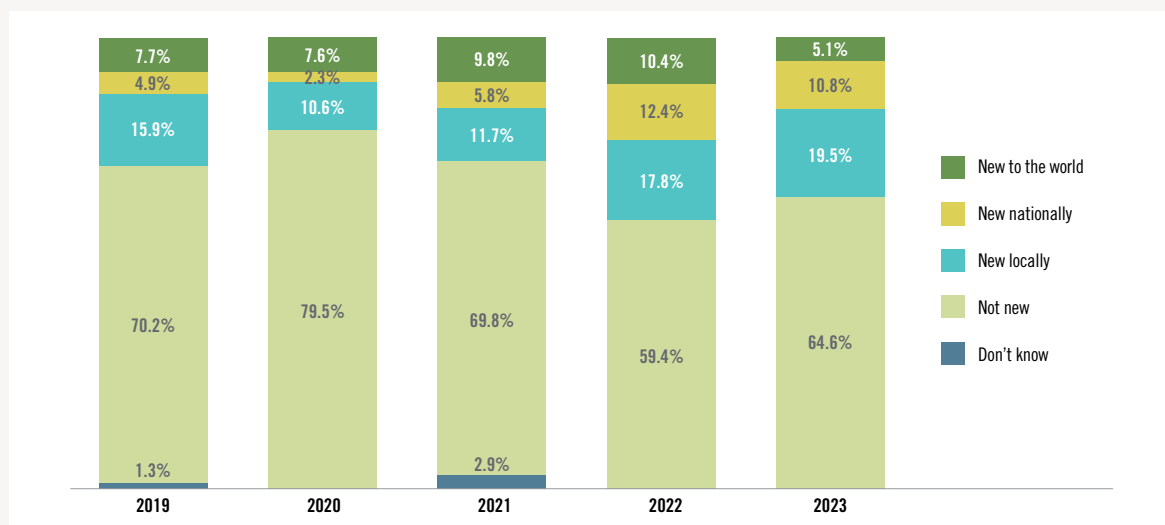
Data show that in 2023, 8.3% of entrepreneurs and 10% of established business owners in the United States operated in high-tech (pharmaceuticals, medical, optical, aircraft, spacecraft, etc.) and medium-tech (chemicals, machinery, transportation, architecture, engineering, etc.) industries. This represents a significant increase over the 5.5% and 6.6%, respectively, reported in the previous year.



## Innovation

In 2023, 35% of TEA in the United States was being undertaken by entrepreneurs who felt they were bringing something new to the market. As Figure 17 shows, despite this 13% dip from 2022, this was still much higher than the levels reported in any single year from 2019 to 2021. It is also interesting to note the scope of innovativeness, as 16% of entrepreneurs surveyed focused on delivering a product that was either new to the country or new to the world.

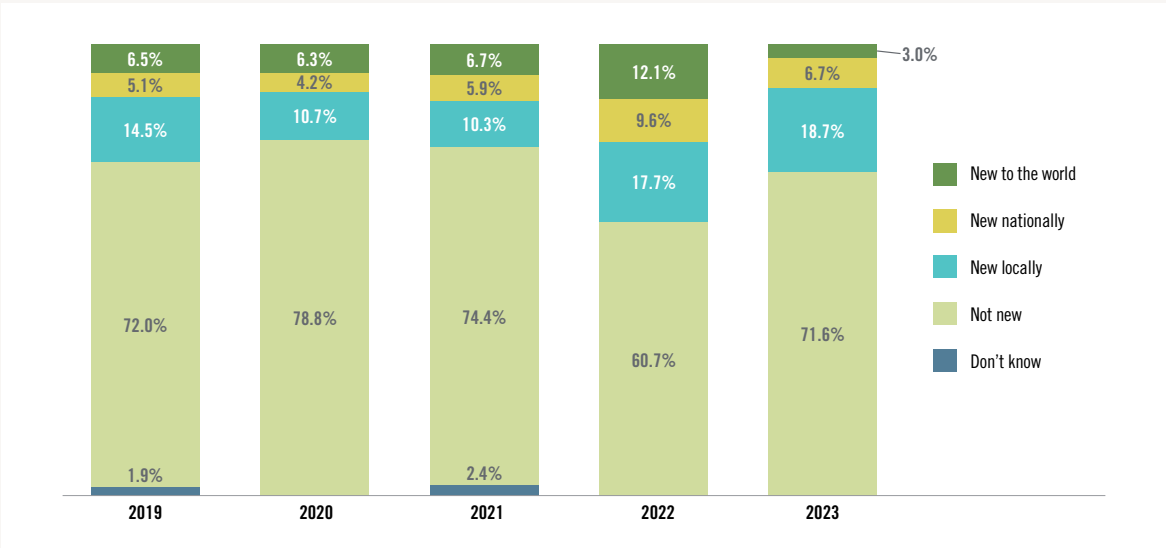
**Figure 17: Breakdown of TEA by scope of newness of the product/service to customers, 2019–2023**



Source: GEM United States, 2019–2023

In addition to the actual new-to-the-world/-nation/-locality products they developed, entrepreneurs in the United States made skillful use of new technology and procedures in the process of creating and/or delivering their products or services. Figure 18 shows that nearly 30% of U.S. entrepreneurs use technology and procedures that are new. The data also suggest that more entrepreneurs are focused locally, as the percentage of those using processes that are new to their local market has grown consistently over the previous few years.

Figure 18: Breakdown of TEA by scope of newness of the technologies or procedures used for the product/service, 2019–2023



Source: GEM United States, 2019–2023

Overall, entrepreneurs in the United States continue to bring new technologies and procedures forward in the process of developing and/or delivering their products and services despite some decreases from 2022 to 2023. However, as Figure 19 reveals, although the United States reports high TEA rates, the percentage of entrepreneurs who state they are using new processes falls around the average of the 15 economies.

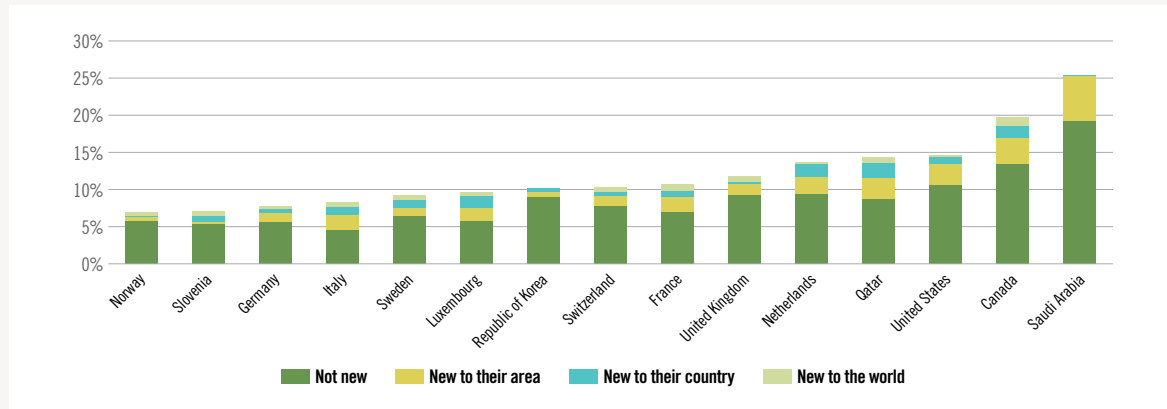


Derek Tu – *Founder, Carbon*

Derek Tu has been building software companies since he was an undergraduate, most recently founding Carbon in 2022 to accelerate the adoption of AI. Carbon’s universal retrieval engine allows large language models to search for relevant content across multimedia file formats, websites, and over 15 data sources, including Dropbox, Google Drive, OneDrive, Gmail, and Notion. Carbon enables businesses to integrate state-of-the-art semantic search and question-answering capabilities easily and safely into their AI applications, knowledge bases, chatbots, and agents.



**Figure 19: Breakdown of TEA in 15 high-income countries by scope of newness of the technologies or procedures used for their product/service, 2023**



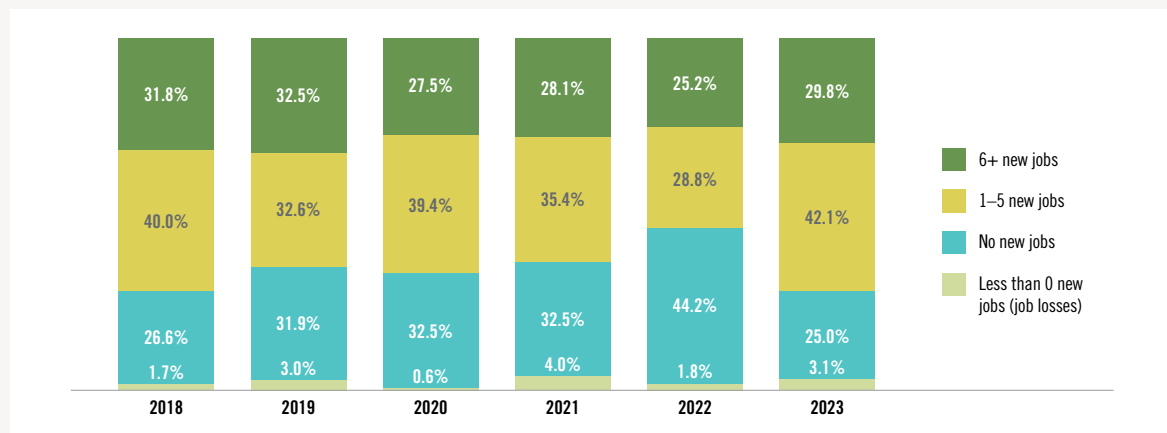
Source: GEM, 2023

## Job creation

As the “Great Resignation” and its aftereffects continued into 2023, job creation and unemployment figures remained challenging metrics to fully comprehend. It is critical that policymakers and other leaders scrutinize these figures carefully, as entrepreneurs who create jobs drive the growth of local, regional, and national economies.

Entrepreneurs are generally optimistic—they often express confidence when discussing their expectations for future hiring needs. When entrepreneurs anticipate significant job creation, they are signaling their belief that the business addresses a clear need. These growth-oriented, optimistic entrepreneurs also indicate they feel confident in their ability to recruit, hire, and develop talent to help expand their ventures. As Figure 20 indicates, 72% of entrepreneurs in 2023 stated they expect to create at least one job in the next 5 years. This is one third higher than in 2022.

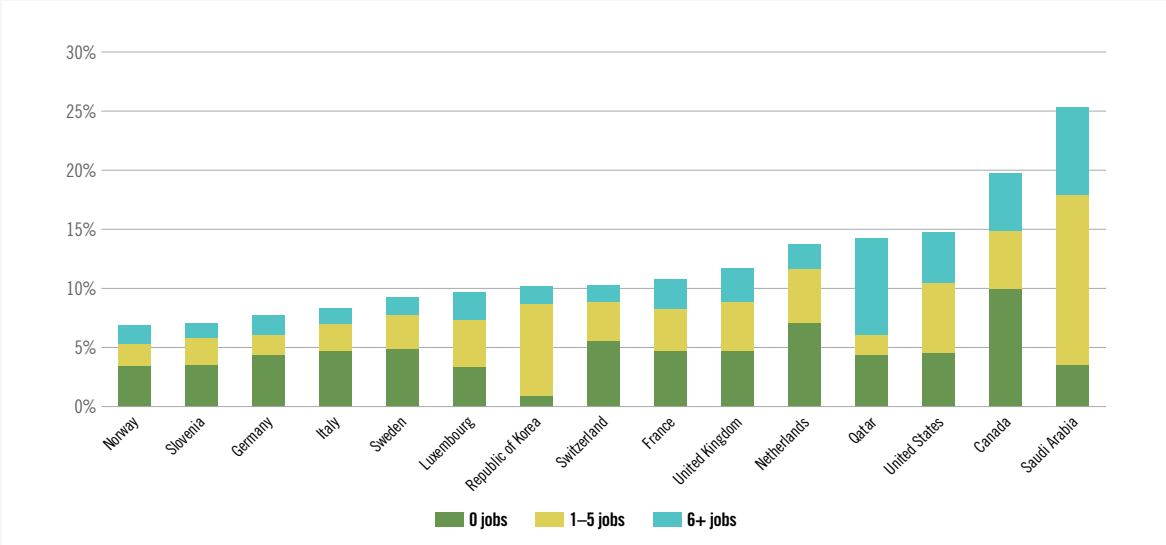
**Figure 20: TEA: Expected job growth in 5 years, 2018–2023**



Source: GEM United States, 2018–2023

Compared to the 14 other high-income economies participating in the GEM 2023 survey, the United States is one of the highest prospective job creators (Figure 21). Only Saudi Arabia has a higher job creation rate, with Canada having higher TEA rates but a similar rate as the United States when it comes to entrepreneurs expecting to create one or more jobs as a percentage of the adult population. Furthermore, U.S. entrepreneurs' expectations of creating six or more jobs outpaces all other countries, except Qatar and Saudi Arabia.

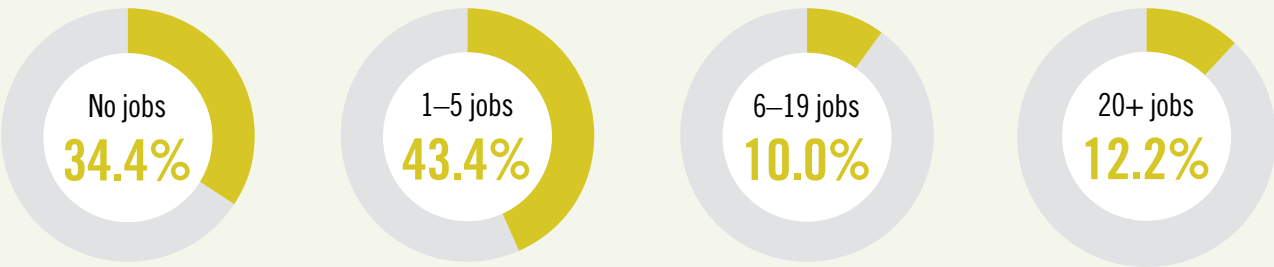
Figure 21: TEA: Expected job growth in 5 years in high-income countries, 2023



Source: GEM, 2023

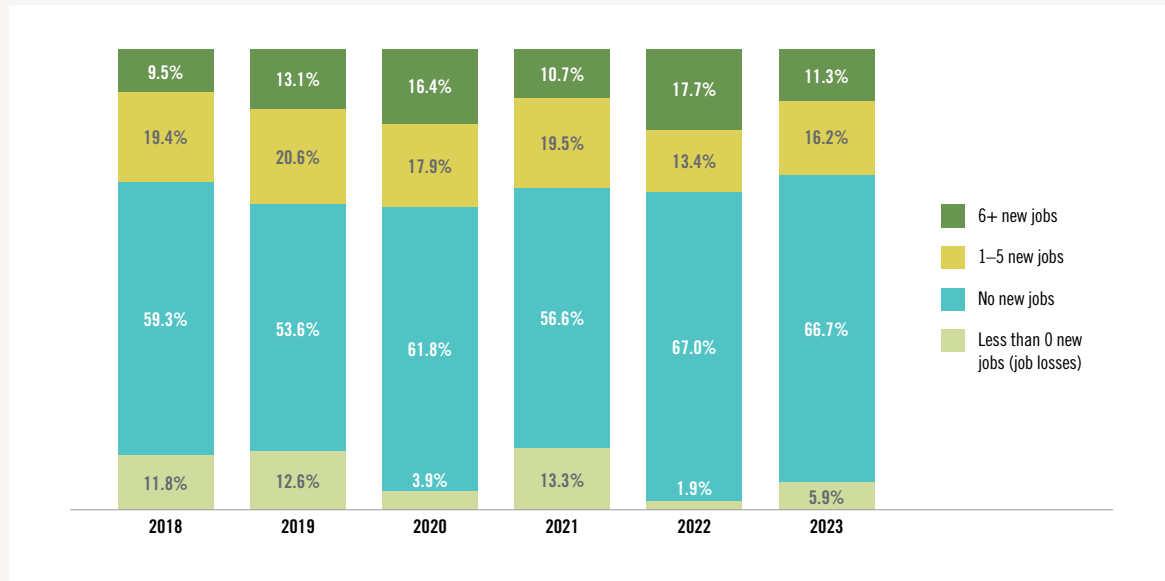
Most established business owners, having run their business for at least 3.5 years, have already hired employees: 66% have at least one employee currently. While many of them only have a handful of employees, it is nonetheless notable that 12% of established business owners have hired 20 or more.

Current employment among established business owners in 2023



In addition to their current employees, many established business owners also project that they will grow their employee base. As Figure 22 illustrates, the expected rate of job creation for established business owners in 2023 dropped a bit from the previous year, with 12% fewer business owners anticipating that they would create one or more jobs. Under closer inspection, however, there are important distinctions.

**Figure 22: Established business owners: Expected job growth in 5 years, 2018–2023**



Source: GEM United States, 2018–2023

While close to 30% of established business owners in 2023 expected to create at least one new job in the next 5 years, this is lower than in 2022. Additionally, compared to 2022, more than one-third fewer projected the higher (6+) level of hiring. Overall, the net effect is lower job creation expectations.

Perhaps more significant is the reported projection of job losses: In 2022, less than 2% of established business owners expected that their business would lose jobs over the next 5 years; unfortunately, in 2023 that number had tripled. However, it is worth mentioning that the 2023 number is still lower than in 2018, 2019, and 2021.

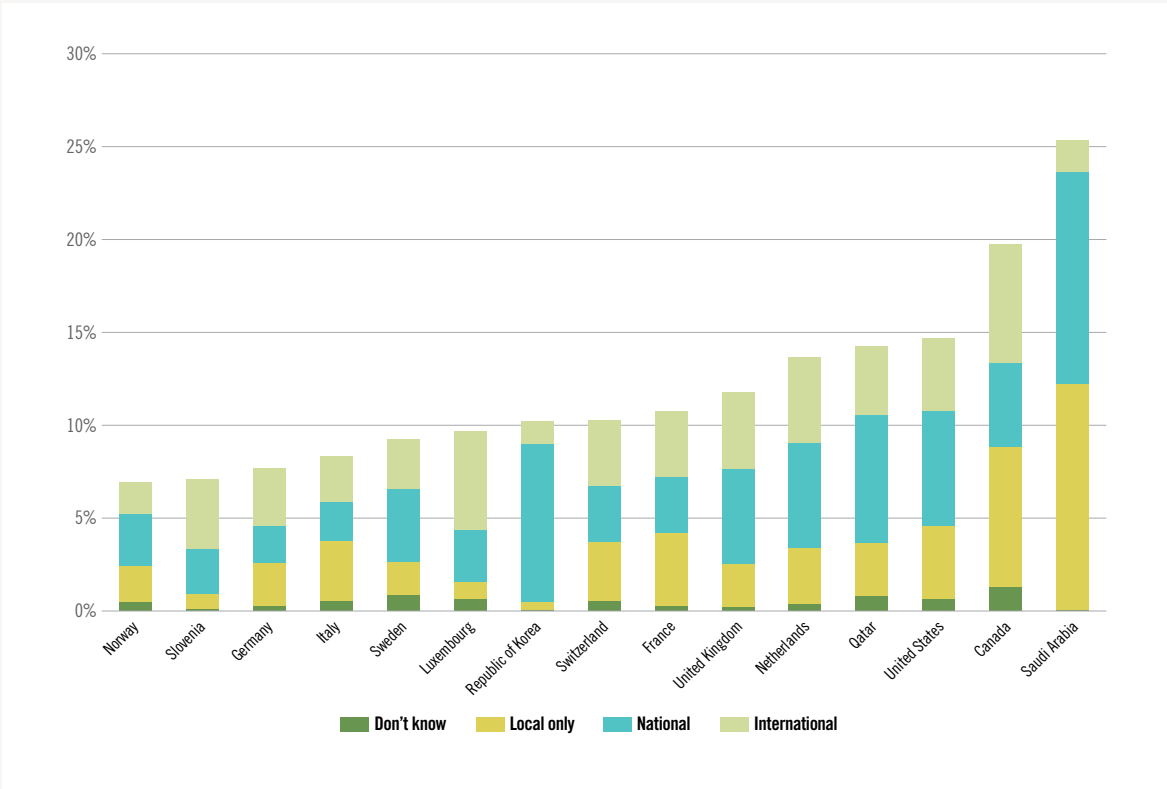
National and international scope

Since the United States is one of the largest single-state economies in the world, entrepreneurs have the unique advantage of not needing to expand internationally at the outset of their ventures. With over 330 million people in the national market, both entrepreneurs and established business owners can grow their businesses within a large, relatively homogeneous market. Without the complications of currency exchange, importing and exporting, and selling beyond national borders, entrepreneurs in the United States can maintain simple and efficient administrative processes.

However, many entrepreneurs do aim to find customers beyond their local markets. Likely planning for future geographic expansion, 42% of entrepreneurs surveyed expected to develop a national market for their products and services, and an additional 27% anticipated entering international markets. Figure 23 shows that the United States is about average with regard to the percentage of entrepreneurs in the population exhibiting international reach. Economies with smaller populations like Luxembourg, Canada, and the Netherlands report a higher percentage of international entrepreneurs.



Figure 23: TEA: Geographic scope in 15 high-income countries, 2023



Source: GEM, 2023

## Summary

Entrepreneurs have impact on their economies and society with regard to the industries they compete in; the level of innovativeness of their products, services, and processes; the jobs they create; and the geographic reach of their markets. The 2023 results for the United States show more emphasis on the wholesale/retail industry among entrepreneurs, which may indicate a shift toward businesses with easy entry but limited profitability. However, the increase in ICT business activity is encouraging, along with the rise in participation in medium- and high-technology sectors. However, innovation levels were lower in 2023 compared to 2022. Job creation expectations increased among entrepreneurs, although the evidence suggests less job creation among established business owners. Finally, entrepreneurs showed moderately high national and international market reach.

# SOCIETAL ATTITU PERCEPTIONS OF SOCIETAL ATTITU

## Societal attitudes toward and perceptions of entrepreneurship

# 03



**Mateo and Tadeo Acosta-Rubio and Carlos Emanuele – *Founders, Stuvi***

Brothers Mateo and Tadeo Acosta-Rubio are passionate about creating and recording music, but they often struggle to find space to create. They're not alone. They joined forces with Carlos Emanuele to create Stuvi, a music-studio-sharing platform that connects artists to spaces—it's like Airbnb for music studios. Their goal is to help artists worldwide keep creating.

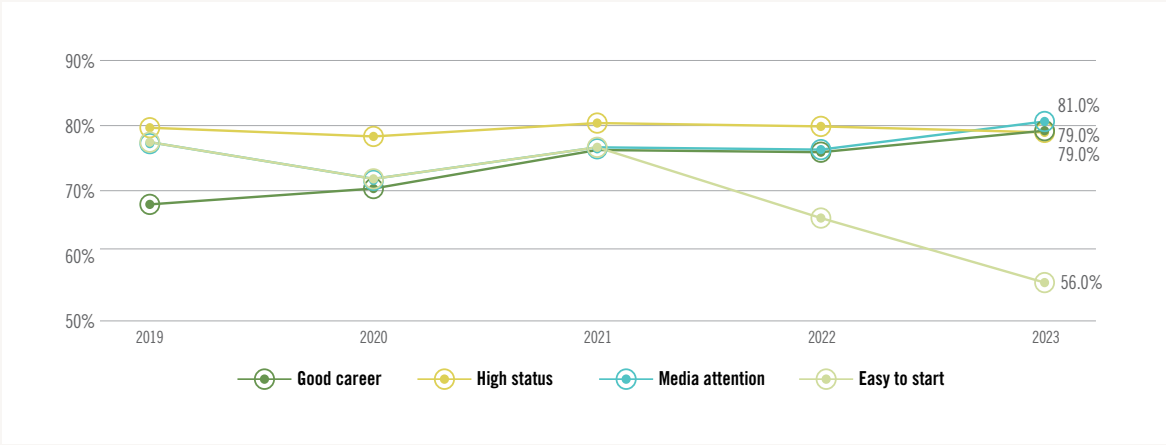
Societal attitudes

In 2023, the U.S. economy showed signs of improving, with real GDP climbing to approximately 3% and unemployment remaining stable at around 3.5%. However, inflation remained above the Fed’s 2% target, forcing it to maintain its tightened monetary policies. This economic uncertainty may help explain the mixed year-over-year results in societal attitudes. The perception of entrepreneurship as a desirable career choice has experienced a consistent increase from 2019 to 2023, reaching a high of 79% in 2023 (a 4% increase from 2022—see Figure 24). This upward trend suggests that more Americans see entrepreneurship as a viable and attractive career path, likely influenced by the wealth of entrepreneurial success stories and the increased availability of digital tools facilitating business creation. Among the 13 high-income economies participating in GEM in 2023 and collecting data on this indicator, the United States is among the highest, with only Qatar and Saudi Arabia showing higher scores.<sup>3</sup>

The positive status of entrepreneurs has remained largely stable from 2019 to 2023, fluctuating minimally and settling at 79% in 2023. Respondents’ consistently high regard for entrepreneurs underscores the societal value placed on innovation and economic contribution, highlighting a continued appreciation for entrepreneurial success. The United States falls around the average for the 13 advanced GEM economies who included this question in their survey (80%).

Meanwhile, media attention toward successful entrepreneurs has varied a bit, but overall has maintained an upward trajectory from 2019 to 2023. In 2019, over three quarters of respondents reported frequent media coverage of entrepreneurial success stories. Although this visibility dipped slightly in 2020, it rose again to its highest point by 2023, topped only by Saudi Arabia and Slovenia among the 13 advanced GEM economies. This trend reflects growing public interest in entrepreneurship and the inspirational impact of business success stories, which are increasingly highlighted in both traditional and digital media.

Figure 24: Societal attitudes toward entrepreneurship in the U.S. adult population, 2019–2023



Source: GEM United States, 2019–2023

<sup>3</sup> The Netherlands and Luxembourg did not collect data on career choice, status, or media attention. The 13 economies that did collect these data include: Canada, France, Germany, Italy, Norway, Qatar, the Republic of Korea, Saudi Arabia, Slovenia, Sweden, Switzerland, the United Kingdom, and the United States.

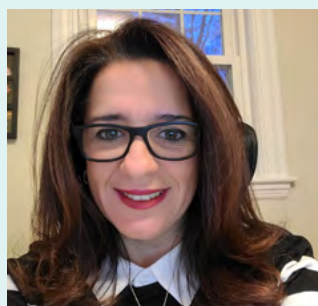


In contrast to these three societal attitude indicators, the perceived ease of starting a business has experienced a marked decline from 2019 to 2023, particularly in 2022 and 2023. In 2019, over three quarters of respondents felt that it was easy to start a business. In 2023 this number dropped to just over half, representing a combined decrease of over one quarter between 2021 and 2023. Among GEM's complete group of 15 advanced economies, the United States ranked among the lowest on this indicator, with only Italy, Germany, the Republic of Korea, and France showing lower scores. This downward trend in the perceived ease of starting a business may be attributed to increasing regulatory complexities, increased labor costs, decreased access to capital due to tighter monetary policies, and economic uncertainties that create barriers to entry for new entrepreneurs.

### Self-perceptions and affiliations

The perceived entrepreneurial opportunities indicator has experienced considerable fluctuation over the period from 2018 to 2023 (Figure 25). This is not surprising given the impact of the pandemic and recent geopolitical instability. In 2019, over two thirds of respondents perceived good opportunities for starting a business. This then declined significantly to below half the next year, then continued to fluctuate, before settling at just over half in 2023, an increase of 17% from 2022. This increase may indicate a resurgence of optimism driven by economic stabilization and post-pandemic opportunities. Globally, the United States fell just below average on this indicator among GEM's 15 advanced economies (58%), with Saudi Arabia, Sweden, and Qatar reporting the highest level of perceived opportunities.

Respondents' confidence that they possess the requisite knowledge and skills to start a business has seen a significant decrease between 2019 and 2023. In 2019, nearly two thirds of respondents felt they had the necessary skills to start a business. This confidence remained relatively stable through 2022 but dropped sharply to less than half in 2023, a 27% year-over-year decline. The U.S. rate was below the average among GEM's 15 advanced economies for this indicator (54%), with Saudi Arabia, Qatar, and Canada exhibiting the highest levels. This decline in the United States may reflect the increasing complexity of the business environment and the rapid pace of technological advancement, which require new and evolving skill sets that many potential entrepreneurs might feel inadequately prepared for.



#### Nathalya Mamane – Founder, RT MicroDx

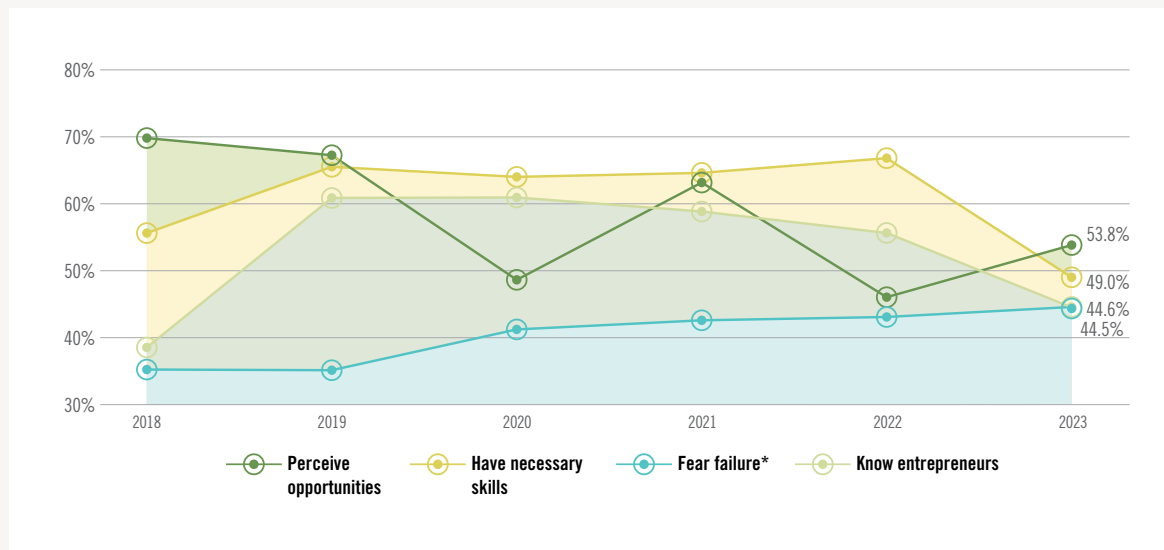
As a mother of four, Nathalya Mamane is deeply committed to family and community. She has always been inspired by her paternal grandmother's work in Morocco and her father's dedication to Jewish organizations in Montreal. Personal experiences with the inefficiencies of the U.S. healthcare system, particularly with regard to accessing testing, motivated her to launch RT MicroDx, which aims to democratize diagnostics and make at-home testing possible for more illnesses. RT MicroDx is developing accurate, affordable, at-home molecular testing solutions that empower individuals, alleviate financial distress, and contribute to healthier communities worldwide. Nathalya's goal is to make these tests readily available over the counter at local pharmacies and big-box stores, to ensure everyone, regardless of socioeconomic status, has access to essential healthcare.



In addition, fear of failure among respondents seeing opportunities has shown a gradual increase from 2018 to 2023. In 2018 and 2019, just over one third of respondents seeing opportunities expressed that they would not start a business because of the chance it would fail. This figure rose to 45% by 2023, a more than one quarter increase from 2018. This growing fear of failure may be linked to the heightened visibility of entrepreneurial risks and the potential for significant financial and reputational loss, especially in a volatile economic environment. The United States' score on this indicator was equal to the average of GEM's 15 high-income economies, with the United Kingdom, Saudi Arabia, and Canada exhibiting the highest fear of failure and the Republic of Korea showing the lowest. It might be therefore concluded that the high fear of failure in the United States is not unusual among advanced economies.

The proportion of individuals who know an entrepreneur has steadily declined from a high of over 60% in 2019 and 2020. The most pronounced decrease, a 20% decline, occurred between 2022 and 2023. This trend could be due to changes in social networks and professional circles, possibly influenced by shifts in job markets and the dispersion of traditional business communities. The U.S. number is below the average of 54% for the 15 advanced economies—which is somewhat perplexing, given the entrepreneurial reputation of the United States.

**Figure 25: Opportunities, skills, fear of failure\*, and personal acquaintances with entrepreneurs, 2018–2023**



\*among those seeing opportunities

Source: GEM United States, 2018–2023



### Sebastian Rosing – *Founder, Loans Academy*

Sebastian Rosing is the founder of Loans Academy, a platform aimed at transforming the loan industry. Loans Academy's mission is to make financial education and loan decision-making intuitive, transparent, and user-friendly. Loans Academy uses AI to provide personalized loan navigation, giving users comprehensive insights into and comparisons of various loan options. Loans Academy is committed to helping individuals make informed and trustworthy financial decisions, one step at a time.

### Summary

Overall, societal attitudes toward entrepreneurship in the United States exhibit both positive and negative dynamics. While the desirability of entrepreneurship as a career and its media visibility have increased, and status perceptions have remained high, the perceived ease of starting a business has declined, reflecting the complex nature of entrepreneurial ecosystems and the challenges that navigating them can entail. Results on U.S. adults' self-perceptions of entrepreneurship reveal some cause for caution. The number of people perceiving opportunities to start a business has fluctuated considerably over several years, and confidence in entrepreneurial skills has declined while fear of failure has increased.

Additionally, fewer people in 2023 stated that they know entrepreneurs. This all indicates the need for enhanced support systems and educational initiatives to equip aspiring entrepreneurs for the challenges of the modern business landscape.

# Gender in entrepreneurship

04



**Leah Rapperport – *Founder, IntellaOne***

Leah Rapperport founded IntellaOne, an AI platform that extends the productivity of today's marketers, after growing frustrated by the lack of productivity tools available to B2B SaaS product marketers. Engineering teams rely on Jira; sales teams are powered by Salesforce. But product marketing managers—who take software products to market—are still mired in manual processes. IntellaOne enables product marketing managers to create one-pagers that quickly convert customers and win new business. Thus, Leah is building the tools for marketers to succeed in today's world of automation and generative possibilities.

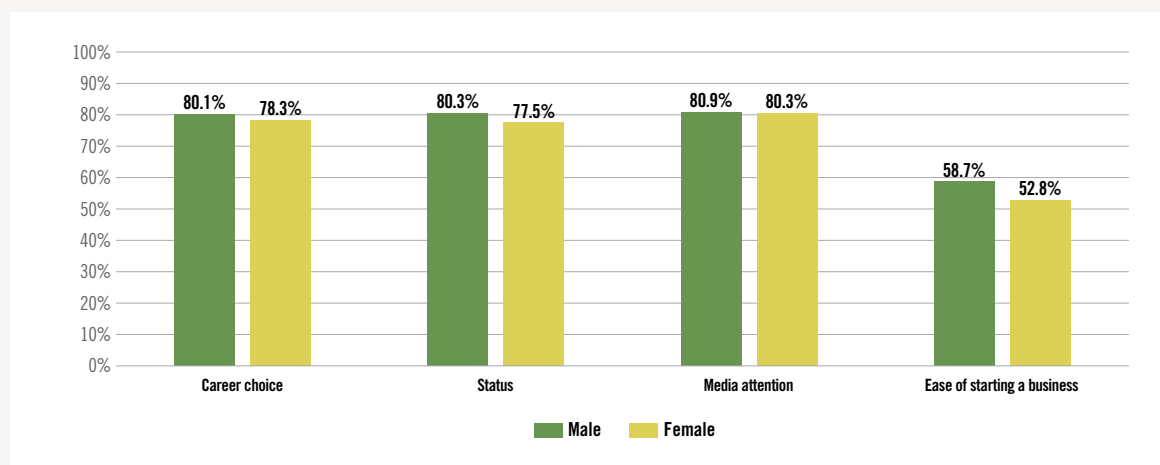


### Societal attitudes toward, affiliations with, and self-perceptions of entrepreneurship

While the GEM 2022 results showed many positive signs of improvement in societal attitudes toward, self-perceptions of, intentions to engage in, and general rates of entrepreneurship among women, the 2023 data show more mixed results. Although more women than men expressed the view that entrepreneurship is a good career choice in 2022, the percentage remained steady for women in 2023, while it rose by over 8% for men (see Figure 26). In addition, beliefs about entrepreneurs having high status remained relatively steady for both genders, while the view that entrepreneurs are portrayed positively in the media rose slightly for both men and women. All three of these indicators stood at high levels, accounting for around 80% of the adult population.

On the other hand, attitudes about the ease of starting a business dropped substantially in 2023, by 17% for women and 13% for men, reaching the lowest level for both genders since this question was added to the GEM survey in 2019.

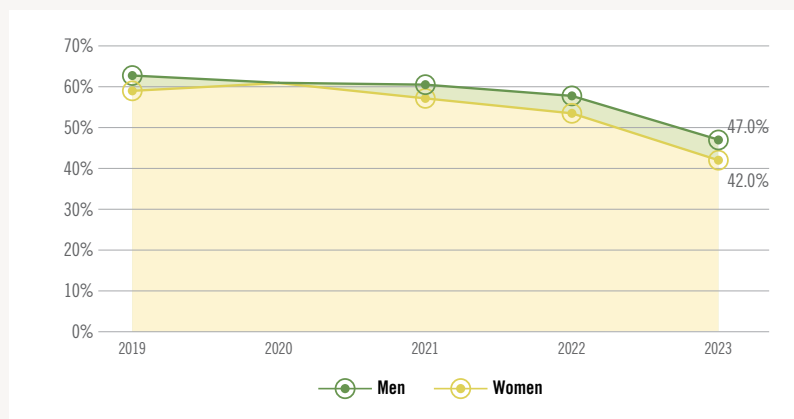
**Figure 26: Societal attitudes in the U.S. adult population by gender, 2023 (percentage of population aged 18–64)**



Source: GEM United States, 2023

Besides the less positive attitudes toward starting a business, the likelihood of knowing an entrepreneur also declined by around one fifth for both men and women (see Figure 27). While in the previous 4 years, more than half of U.S. adults stated they knew an entrepreneur, this fell to below half in 2023.

**Figure 27: Entrepreneurial affiliations by gender in the U.S. adult population, 2019–2023 (percentage of population aged 18–64)**



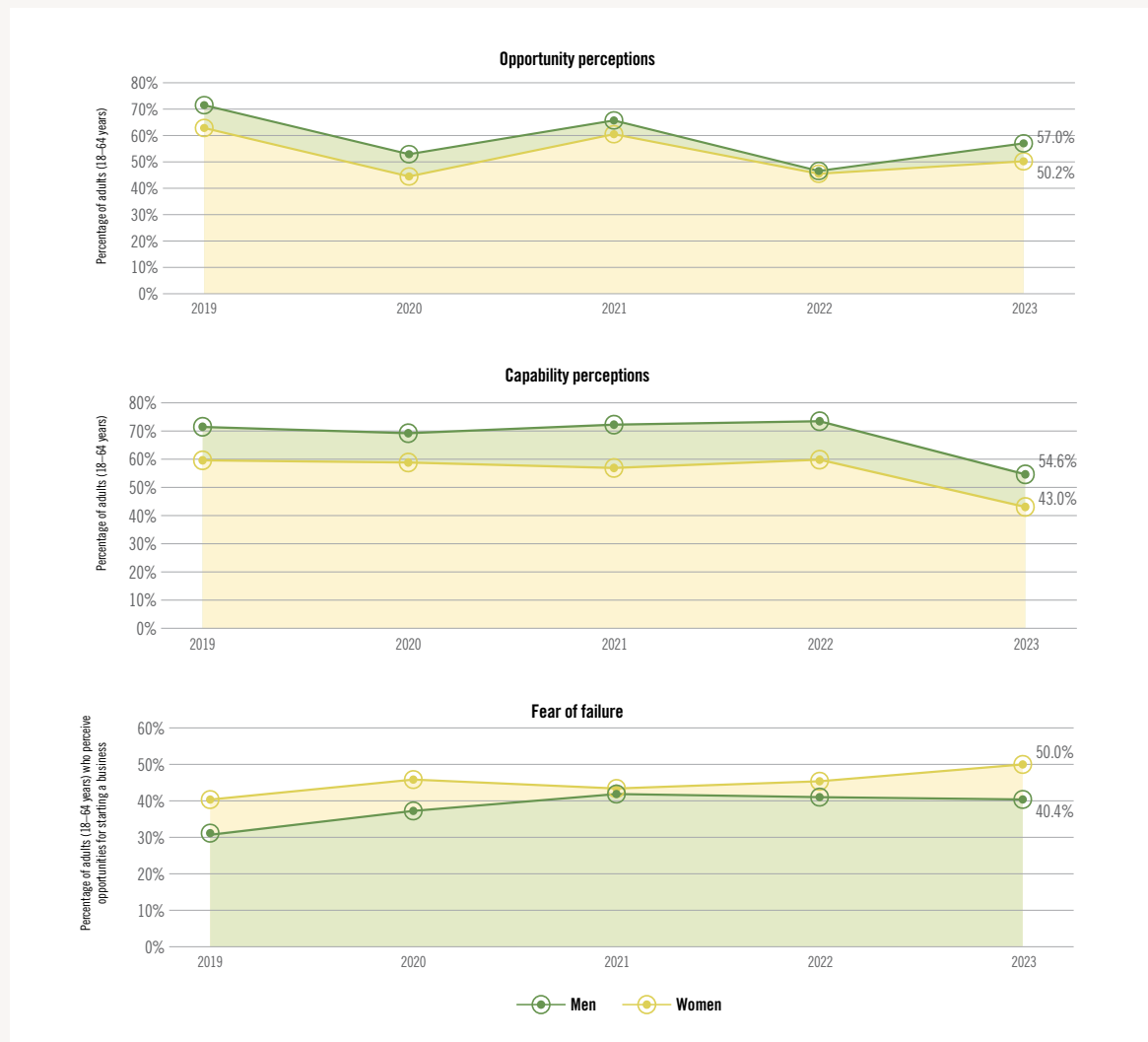
Source: GEM United States, 2019–2023

The actual launching of a new venture is linked to self-perceptions of opportunities, capabilities to launch a business, and fear of failure. In other words, when people see opportunities, and believe they have the ability to act on these without having a strong fear of failure, one can expect to see high TEA rates. Once again, there are some interesting changes from previous years. Opportunity perceptions show an uneven pattern, with ups and downs over the years. 2023 shows a 10% rise for women, but an even greater increase, over 22%, for men, thus widening the gender gap (see Figure 28).

In contrast, there was a sharp decline from 2022 to 2023 among both genders when it comes to perceived capabilities to start a new venture—the rate for men and women dropped by over one quarter, leaving the gender gap pretty much the same as in previous years.

At the same time, fear of failure rose for women by 10%, which means that half of women seeing opportunities would be deterred from starting a business due to the chance it could fail. This indicator remained almost steady for men, with the gender gap being the largest overall since 2013.

**Figure 28: Entrepreneurial self-perceptions by gender in the U.S. adult population, 2019–2023 (percentage of population aged 18–64)**

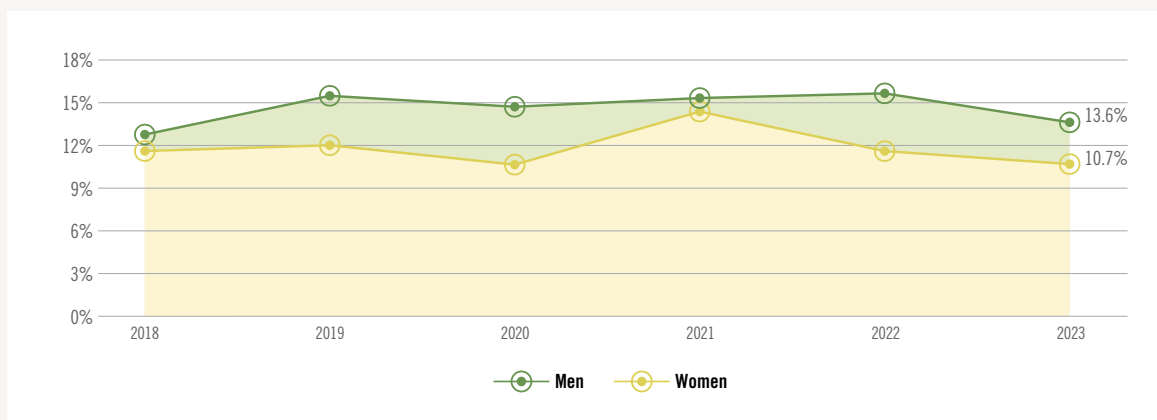


Source: GEM United States, 2019–2023

## Entrepreneurial intentions, entrepreneurship, and EBO

Respondents stating that they intend to start a new business equates to potential entrepreneurship, and for the past 10 years, there have only been two points in time where intentions were at near gender parity: 2018 and 2021 (Figure 29). However, after hitting a high point for women in 2021, intentions have declined by one quarter since then. Meanwhile, they have dropped by one tenth for men, leaving a gender gap of 8 women for every 10 men expressing entrepreneurial intentions.

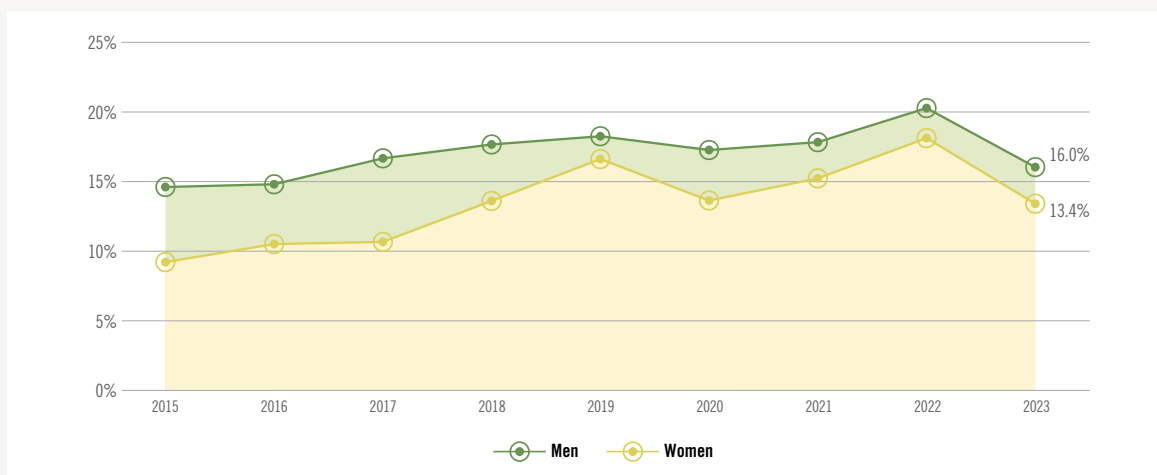
**Figure 29: Entrepreneurial intentions in the U.S. adult population, 2016–2023 (percentage of population aged 18–64)**



Source: GEM United States, 2019–2023

Given the decline in perceived capabilities, the rise in fear of failure, and the decrease in intentions, it is not surprising that the TEA rates for both genders in 2023 are lower than previous years (see Figure 30). The TEA rate for women declined by over one quarter compared to 2022; it dropped by over one fifth for men. This TEA rate matches the rate in 2020 and 2018, with the gender gap being slightly narrower than before 2019 (see Figure 30).

**Figure 30: TEA rates by gender in the U.S. adult population for nascent businesses, 2015–2023**

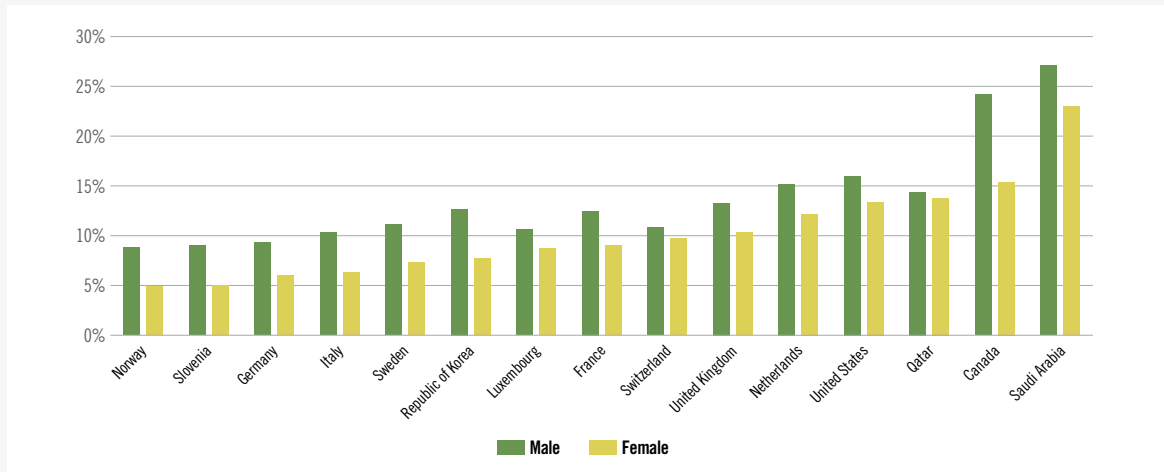


Source: GEM United States, 2015–2023



To put the U.S. TEA rates in perspective, it is useful to compare them to those of other countries. The rate of entrepreneurship among U.S. women has declined, but still exhibits the fourth highest among the high-income countries participating in GEM in 2023, following Saudi Arabia, Canada, and Qatar (see Figure 31).

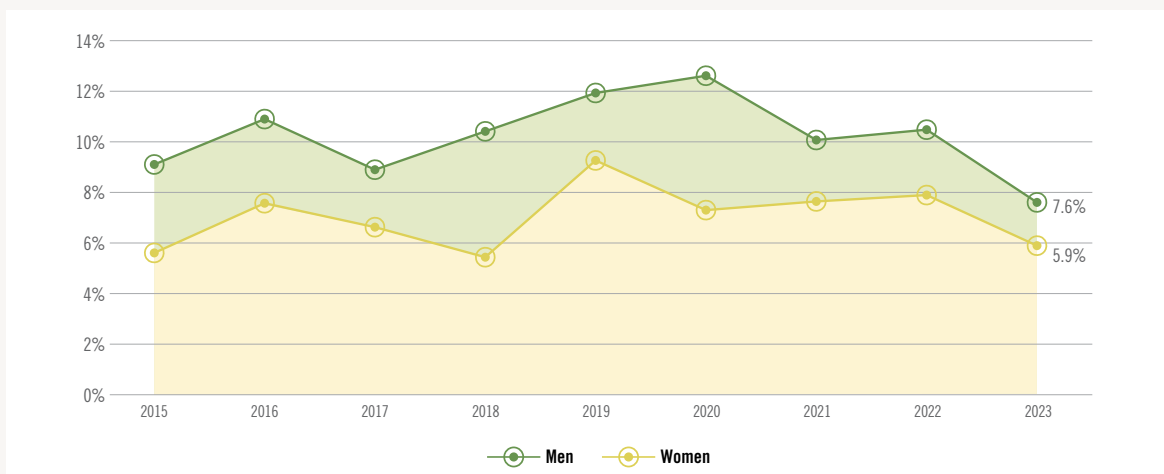
**Figure 31: TEA by gender in high-income economies, 2023**



Source: GEM, 2023

Following the downward trend of TEA this year, the EBO rate also declined for both men and women by over one quarter (see Figure 32). For women, the 2023 rate matches reports from 2018 and 2015; for men, however, 2023 represents the lowest point since the 2008 recession.

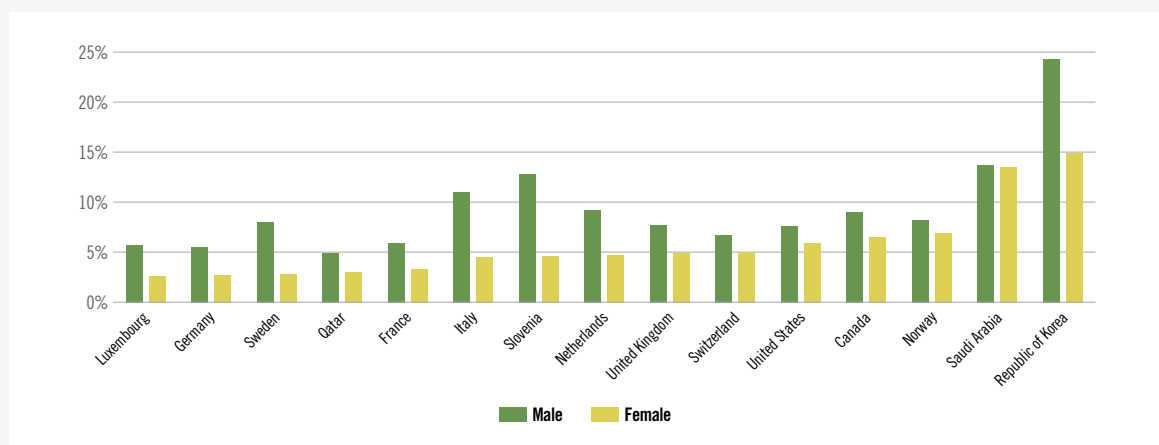
**Figure 32: EBO rates in the U.S. adult population by gender, 2015–2023**



Source: GEM United States, 2015–2023

An examination of EBO rates across high-income economies shows similar patterns as for TEA, with four countries posting higher rates than the United States (see Figure 33). For 2023, the Republic of Korea had the highest rate of EBO for women (and men), as it did the previous year. Saudi Arabia produced the second highest rate of EBO for women; the rates of Norway and Canada, meanwhile, were close to that of the United States. Rates of EBO increased for six economies in 2023 over the prior year, notably Saudi Arabia, Norway, Canada, and the United Kingdom.

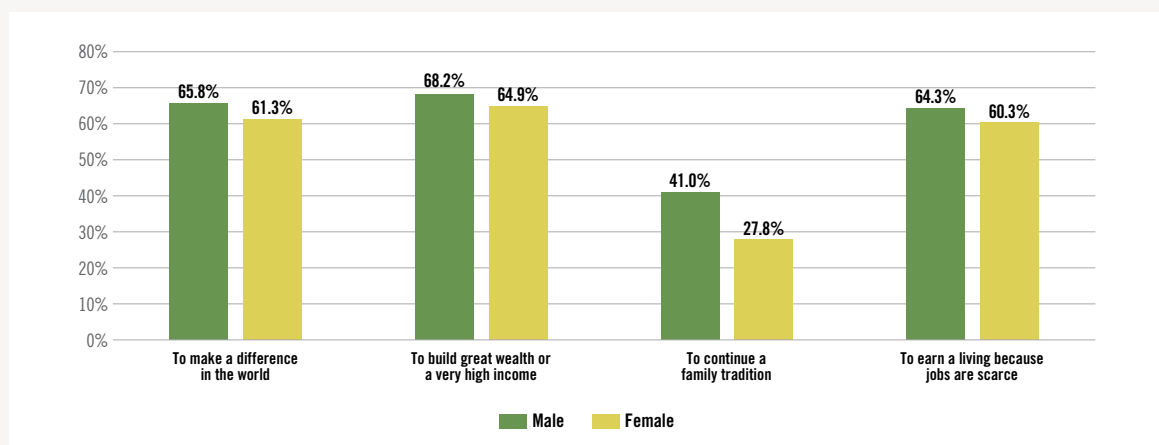
**Figure 33: EBO activity in high-income economies by gender, 2023**



Source: GEM, 2023

Entrepreneurs have various motives to start businesses. In 2023, there were some notable differences in motivations compared to previous years, especially for women (see Figure 34). For the previous 4 years, women have primarily been motivated to start a business to make a difference in the world, averaging about 70%—they have typically been at parity or higher than for men. But in 2023, the number of women starting their businesses because of this motive declined by well over one fifth, to a level lower than men.

**Figure 34: TEA motives by gender in the U.S. adult population, 2023**



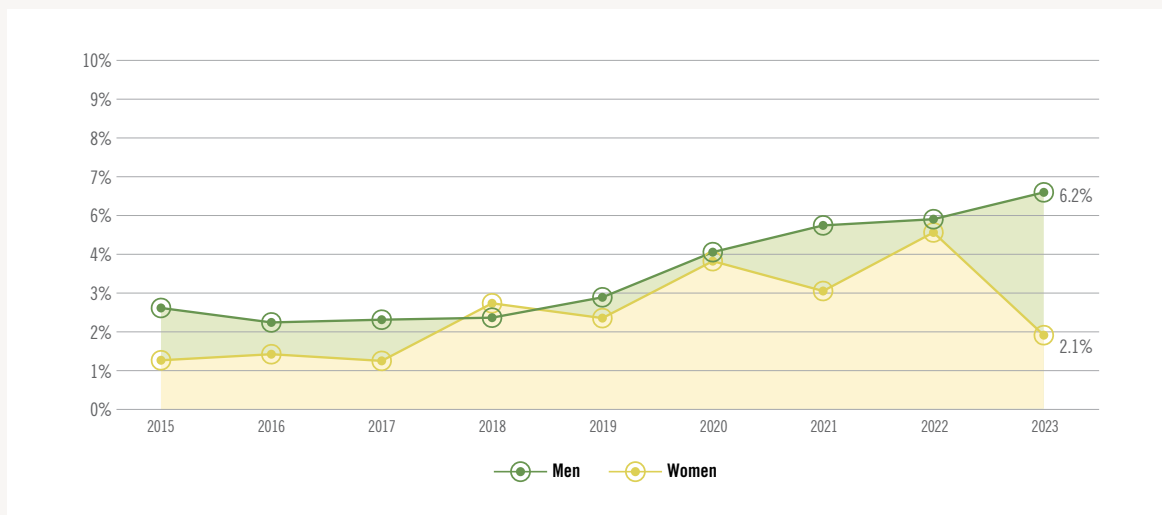
Source: GEM United States, 2023

Women are reporting strong motivations to build wealth or generate higher income, while this declined by over one fifth for men in 2023 compared to the previous year. Nonetheless, this still represented the highest motivation for both genders. The motivation to continue a family tradition saw little change—this remained the least-cited motive. However, there was an interesting gender disparity for entrepreneurs starting businesses due to job scarcity; there was little change from the previous year for women, but a one quarter increase for men.

Overall, fewer women entrepreneurs reported wanting to make a difference, whereas men entrepreneurs shifted from pursuing high income toward earning a living due to job scarcity.

A society that contains many entrepreneurs will also naturally feature a high rate of business closures, given that not all startup efforts or mature businesses can persist in perpetuity. In fact, in order for an economy to benefit from entrepreneurship, there need to be people willing to try their hand at starting businesses, with the understanding that not all will work out. In 2023, the rate of business closures for women entrepreneurs dropped markedly to less than half the 2022 rate, while it continued its upward trajectory for men (Figure 35).

**Figure 35: Business closures in the past 12 months in the U.S. adult population by gender, 2023**



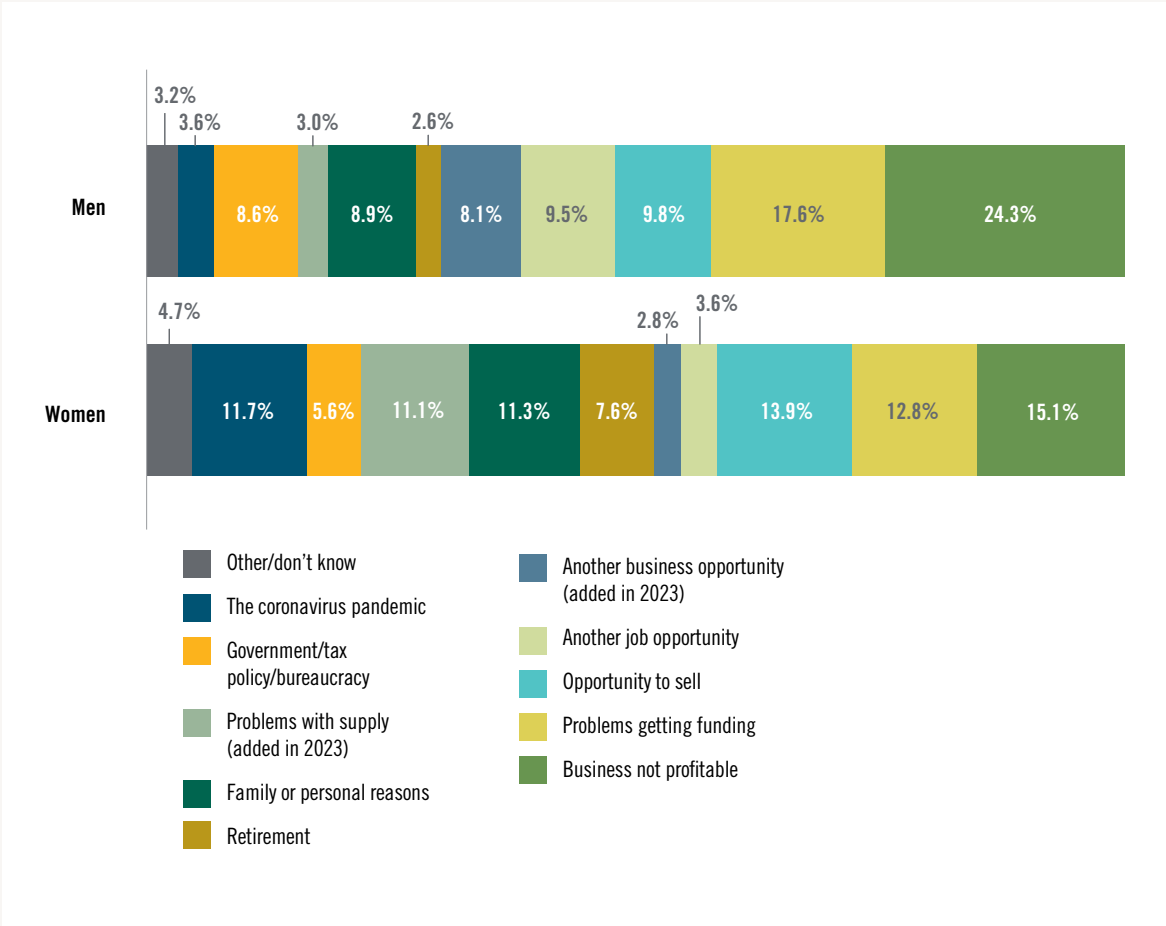
Source: GEM United States, 2023

As well as the decrease in business closures among women entrepreneurs in the past 12 months, there was also a decline in the number of women who exited an ongoing business, reaching little more than 1% in 2023 (from 3% in 2022). Men, meanwhile, showed an uptick in this indicator in 2022 (5%), before settling back down to 3% in 2023.

GEM tracks the reasons given by people who left a business in the past year, whether their businesses continued operating or closed for good. Notably, for men, the overarching reason for leaving a business was a lack of profitability, accounting for nearly one quarter of entrepreneurship discontinuations in 2023 and 2022 (Figure 36). While this was also the top reason women left their businesses in 2022, fewer women than men discontinued entrepreneurship due to poor profitability in 2023, as well as fewer women overall compared to the previous year—nearly one third fewer than in 2022. Men cited problems obtaining funding at nearly three times the 2022 level—and at a higher rate than for women.

Somewhat surprising is that the second most important reason cited by women who discontinued entrepreneurship was an opportunity to sell their businesses: Nearly two thirds more women reported this than in 2022, surpassing the number of men who reported this in 2023. On the other hand, a higher proportion of men indicated that they left entrepreneurship for either another job or for another business opportunity, accounting for 18% in total (three times more than the proportion of women who left for this reason).

Figure 36: Reasons for discontinued business ownership in the past 12 months in the U.S. adult population by gender, 2023



Source: GEM United States, 2023



**Barbara Cristina de Souza Pinto – Co-Founder, NestSaúde**

Barbara’s mother was diagnosed with cancer when she was young, and her family’s 20-year journey through Brazil’s difficult-to-navigate healthcare system inspired her to take action. She co-founded NestSaúde, a next-generation business management platform designed to bridge the gap between patients and providers in Brazil with user-friendly, time-saving tools. NestSaúde aims to facilitate the effective delivery of preventive medicine across the country.

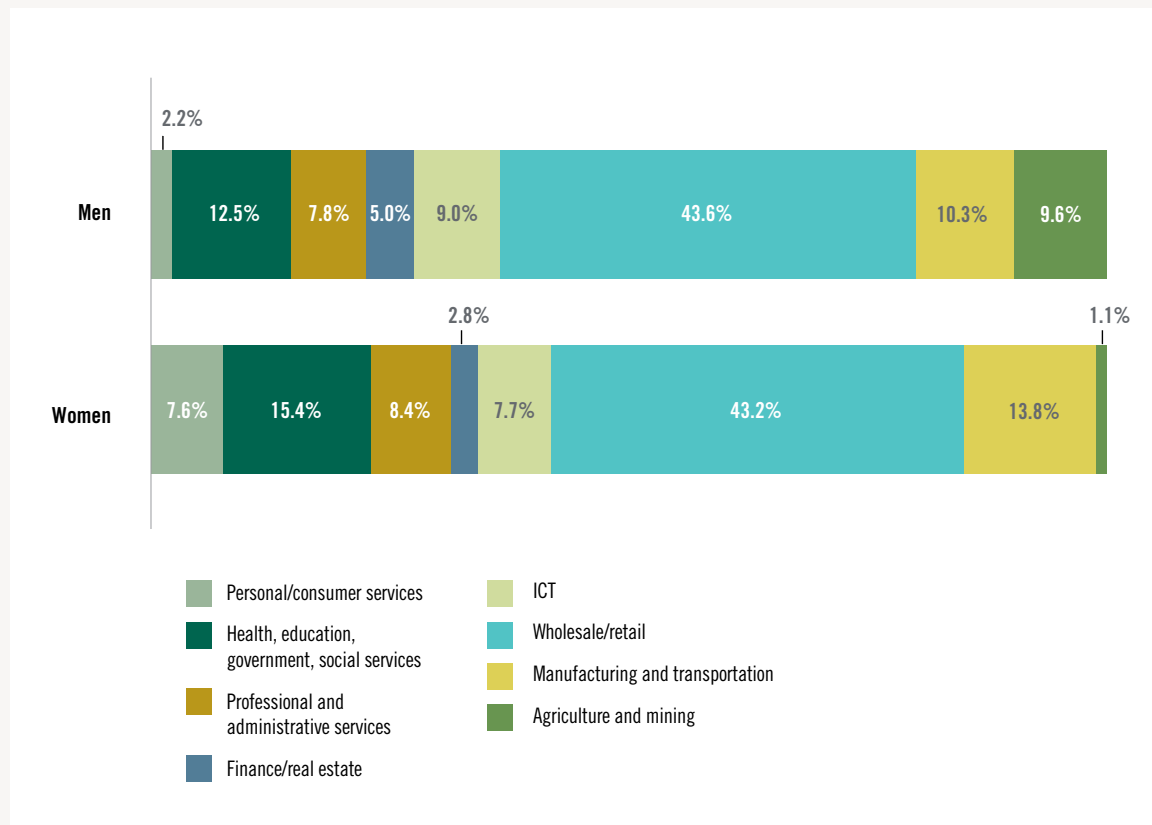


## Impact characteristics

When considering and comparing rates of entrepreneurship and EBO by gender, differences in industry sector can help explain other impacts of entrepreneurship by women and men entrepreneurs and established business owners. This analysis reflects some continuing trends, as well as some changes from previous years. One of the most notable results for 2023 is the dramatic rise of women starting wholesale and retail businesses, a rise of one third from 2022 (see Figure 37). However, for men, startup activity in this business area nearly doubled. Altogether, this sector accounted for more than any other category, with little difference between the genders.

Participation in manufacturing and transportation and health, education, government, and social services each declined by more than one quarter among women, but still accounted for more entrepreneurship activity among women compared to men. Women narrowed the gender gap when it comes to starting ICT businesses, more than doubling their participation in this sector from 2022, while men exhibited little change.

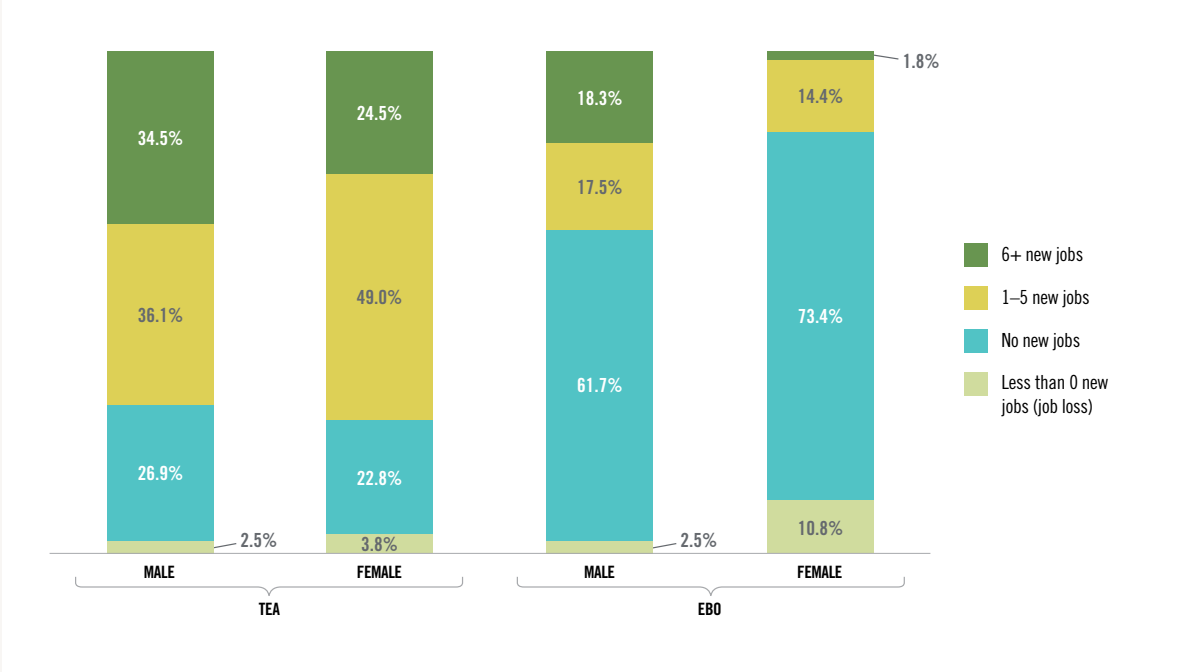
Figure 37: Industry sector participation for TEA in the U.S. adult population by gender, 2023



Source: GEM United States, 2023

Besides industry participation, entrepreneurs and established business owners in the United States contribute to the U.S. economy through job creation, market reach, and innovation. In 2023, nearly three quarters of women entrepreneurs expected to create at least one job in the next 5 years—higher than the previous 4 years and nearly equal to that of men. However, men entrepreneurs were more likely than women entrepreneurs to project creating six or more jobs, while women entrepreneurs were more likely to anticipate creating one to five jobs (Figure 38). It is worth noting that projections for job losses or no jobs were the lowest for both genders over the 5-year period from 2019 to 2023.

Figure 38: Job creation expectations for all entrepreneurs in the U.S. adult population by gender, 2023



Source: GEM United States, 2023



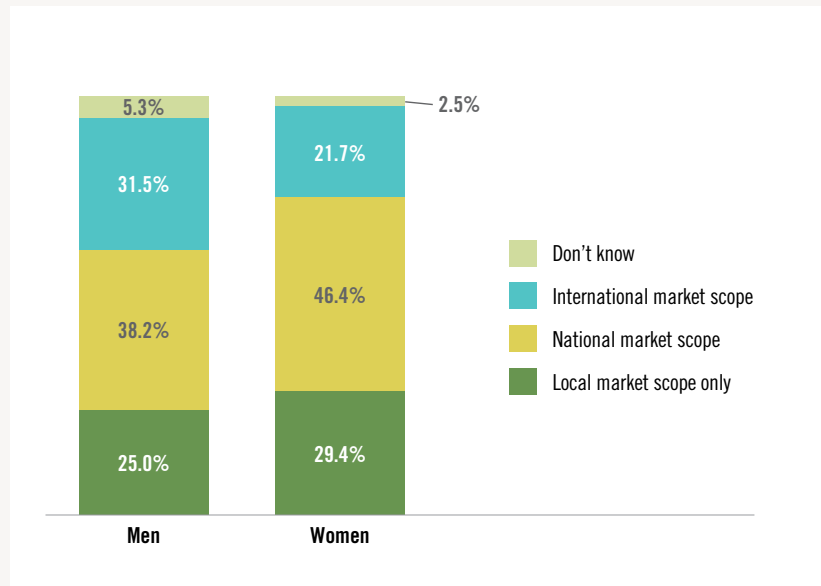
**Kristen Smith – Co-Founder, Tre’s Street Kitchen**

Kristen Smith is the Co-Founder and Chief Experience Officer of Tre’s Street Kitchen, a food service company based in Baton Rouge, Louisiana. In the past year, Tre’s Street Kitchen has become Louisiana’s fastest-growing, minority-owned, majority-woman-owned, and family-owned food service company. It transformed from a pandemic-born food truck into a local and national award-winning food service company servicing college campuses, stadiums, and arenas. With Tre’s Street Kitchen, Kristen tackled the pandemic’s challenges in meeting food service demands, achieving hard-earned success, and a legacy for her family and community.

Job creation expectations for established business owners present a different picture, with 84% of women established business owners predicting no new jobs or job losses, the highest level since 2019 and higher than for their male counterparts in 2023. Few women owners expect to add six or more jobs vs nearly one fifth of men.

An analysis of the market scope for TEA by gender shows that one quarter or more of male and female entrepreneurs serve a local market. Women are more likely than men to have a national reach, while men are more likely than women to extend into international markets (see Figure 39).

**Figure 39: Market scope for TEA in the U.S. adult population by gender, 2023**



Source: GEM United States, 2023



### **Derek Gawrys – Founder, Nova Job Search**

Derek Gawrys founded Nova Job Search to build a next-generation job search engine. Using AI and machine learning, Nova's software automates every aspect of the job-seeking process for the modern professional. Job seekers today have two options to find their next role: compete with thousands of other applicants for the best job listings or wade through thousands of job boards. Nova Job Search's world-class development team uses bleeding-edge technology to empower modern job seekers, saving them time and making them more money.



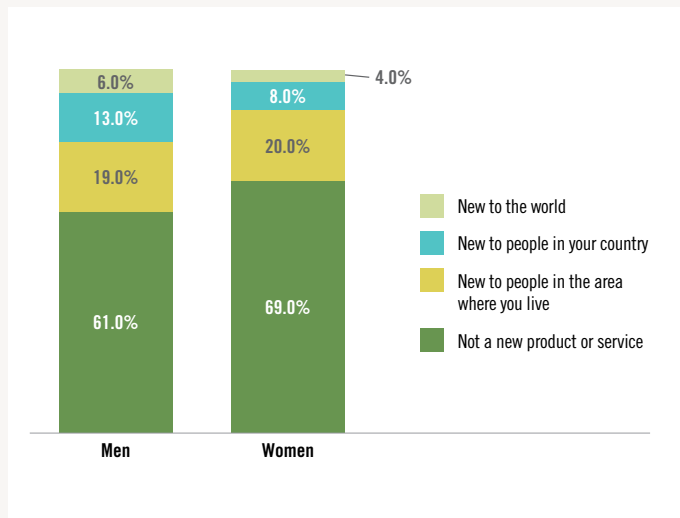
Finally, a key aspect driving business performance is innovation, or the extent to which new ventures are offering products or services that are new to people locally, nationally, or to the world (see Figure 40). While the vast majority of entrepreneurs believe that their product or service is not new, about one fifth of both men and women entrepreneurs believe their offering is new to the people in the area where they live. In both 2022 and 2023, 8% of women stated their product or service was new to people in their country.

However, few women entrepreneurs believed they had new-to-the-world offerings, a dramatic decline from 12% reported in 2022.

Another indicator of innovation has to do with processes, i.e., the technologies or procedures used by entrepreneurs for their products or services. Once again, the majority of both men and women entrepreneurs did not believe their use of technologies or procedures are new (see Figure 41). However, many more women entrepreneurs did not believe they had used new technologies or procedures—one quarter more than men entrepreneurs.

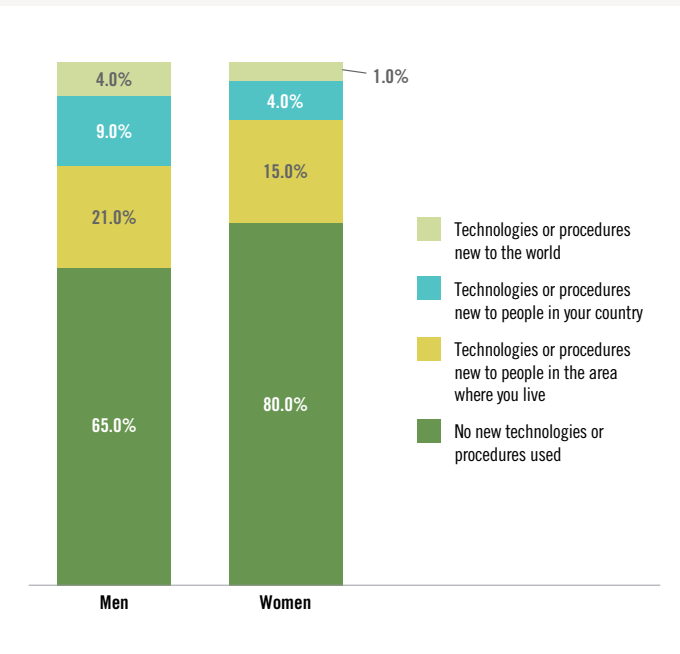
This is a dramatic rise from 2022, when 68% of women entrepreneurs and 54% of men stated that they did not use new processes.

Figure 40: Innovation among entrepreneurs in the U.S. adult population by gender, 2023



Source: GEM United States, 2023

Figure 41: Use of technologies among entrepreneurs in the U.S. adult population by gender, 2023



Source: GEM United States, 2023



## Summary

Overall, the picture of women's entrepreneurship in the United States in 2023 is somewhat different from 2022. Notably, there has been a decline in the number of women entrepreneurs believing that it is easy to start business, as well as a decline in those who know an entrepreneur personally. Perceived entrepreneurial capabilities among women also decreased and fear of failure increased. Given all of the above, it is perhaps not surprising that entrepreneurial intentions and TEA among women declined from 2022, along with EBO. Still, although rates were down in 2023, women entrepreneurs offered impact through job creation expectations and the national and international markets they reach out to.

# Race and ethnicity characteristics of entrepreneurs

05



**Jacob Nyamu – Founder, Kipekee**

Jacob Nyamu started Kipekee (“unique” in Swahili) to empower adults who have been diagnosed with autism, like himself, with community and resources. Jacob understands that there is a lot of shame and misconceptions in communities worldwide that prevent families from seeking the care and treatment they need. Recent studies have revealed that incidence of autism in black and brown communities has now superseded white communities. Additionally, women are diagnosed at a far lower rate than men.



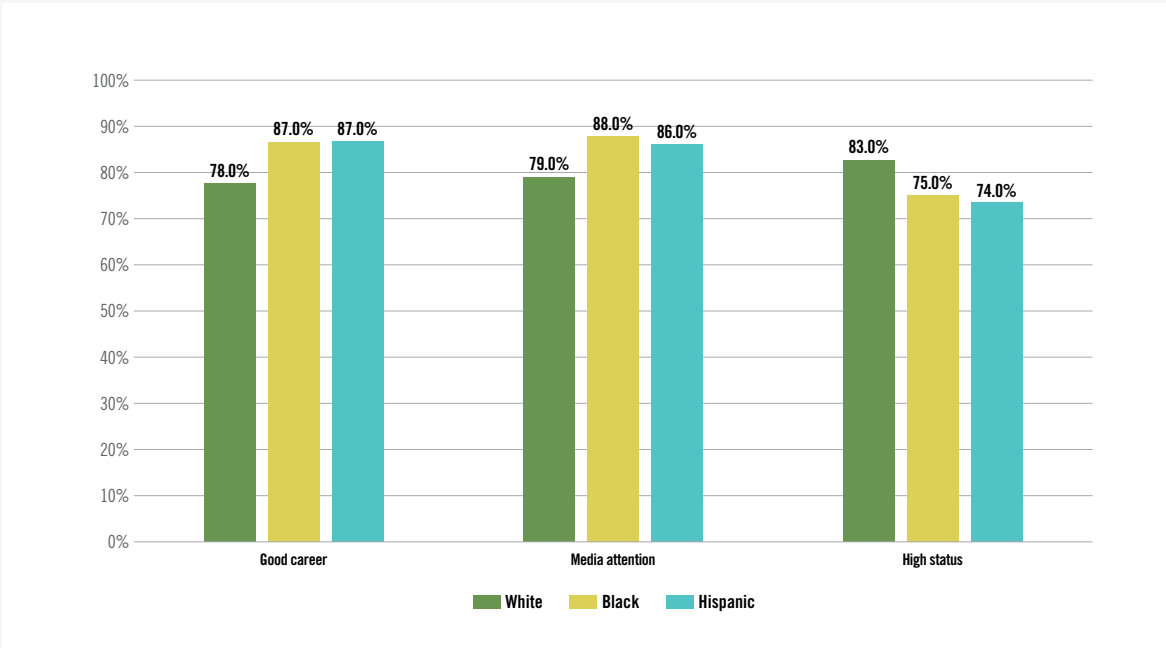
Inclusivity in entrepreneurship benefits not just those starting businesses, but also those they impact through job creation, the introduction of new products and services, collaborations with other stakeholders (both organizations and individuals), and the economy. It is therefore important to ensure that people of all genders, races/ethnicities, income levels, and other backgrounds have equal access to entrepreneurship opportunities. This chapter examines entrepreneurship characteristics among White people, Black people, and Hispanic people: These are the largest racial/ethnic groups in the United States.<sup>4</sup>

Societal attitudes, self-perceptions, and affiliations

All three racial/ethnic groups report positive attitudes to entrepreneurship as a career choice and the media attention it garners, and these indicators have increased in the past 2 years for each group (see Figure 42). Compared to White respondents, more Black and Hispanic respondents reported positive attitudes about entrepreneurship as a career and the media attention entrepreneurs generate. However, a higher percentage of White people felt entrepreneurs have high status in society.

This suggests that Black and Hispanic people regard entrepreneurship as a viable occupation, and reinforced in the media, but somewhat less as a high-status pursuit. White people, on the other hand, are more likely to hold entrepreneurs in high regard but are comparatively less likely to think it makes sense as a career or to recognize its visibility in the media. Still, while there are relative differences, it is nonetheless apparent that entrepreneurship is valued, albeit in slightly different ways, across all three groups.

Figure 42: Societal attitudes toward entrepreneurship among three racial/ethnic groups in the U.S. adult population, 2023



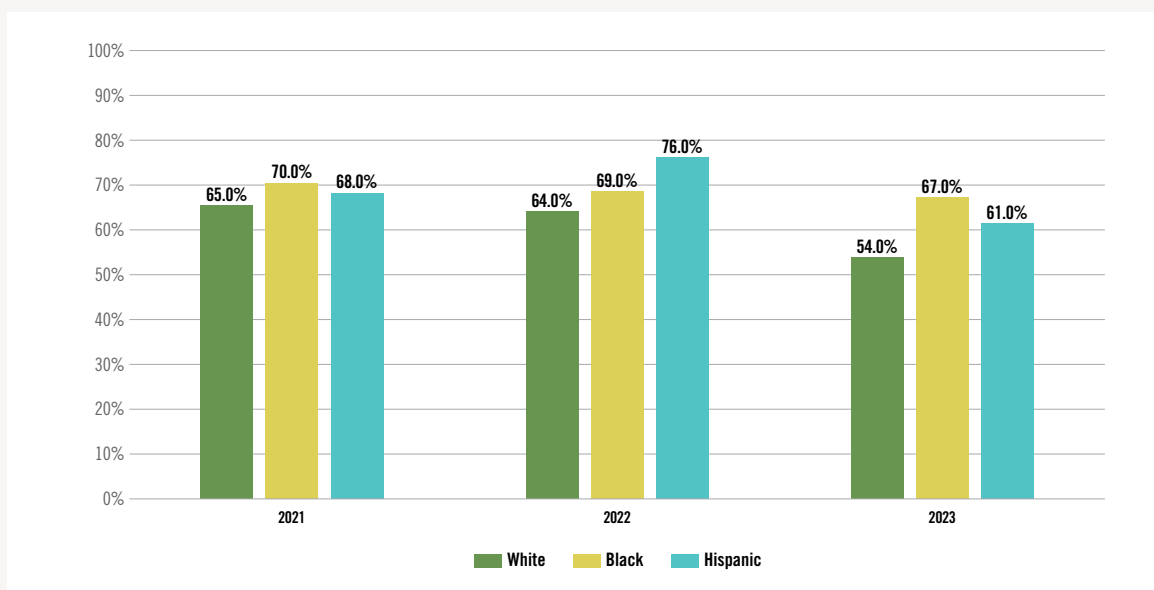
Source: GEM United States, 2023

<sup>4</sup> GEM collects information on other racial/ethnic groups, but there are not enough data to generate conclusions for those present in smaller percentages in the United States..

Although more than half the adults in each racial/ethnic group stated that they believe it is easy to start a business, fewer White respondents believed this to be the case (Figure 43). Additionally, fewer people in the White and Hispanic groups stated this compared to the previous year, while a consistently high proportion of Black people reported that they felt starting a business is easy.

This indicator could be influenced by a range of factors, including perceptions of enablers or barriers, the kind of business one has in mind, and the difficulties one perceives in starting that particular kind of business, as well as one's general capacity for entrepreneurship. The ease of starting a business may also be judged relative to the ease and desirability of obtaining other good employment options.

**Figure 43: Percentage of U.S. adults in three racial/ethnic groups who believe it is easy to start a business, 2021–2023**



Source: GEM United States, 2021–2023

Black people were more likely than the other two groups to state that they see good opportunities around them for starting a business in 2023, and this was also the case for the previous 2 years (Figure 44). In addition, they were more likely than White or Hispanic people to believe they had the capabilities needed to pursue an entrepreneurial venture over this 3-year period. This may at least partially explain why Black respondents perceived starting a business to be relatively easy. In addition, among those seeing opportunities, Black people had a lower fear of failure than the other two groups.

Fewer and fewer Hispanic people perceived opportunities to start a business from 2021 to 2023, and they also registered the lowest perception of their capabilities over the 3-year period. In addition, nearly half of those who saw opportunities reported fearing failure in 2023—thus suggesting that they would be deterred from starting a business because of the risk that they would fail. This suggests less confidence in entrepreneurship within this group, despite the fact that many respondents from the group believe it is a good career choice.

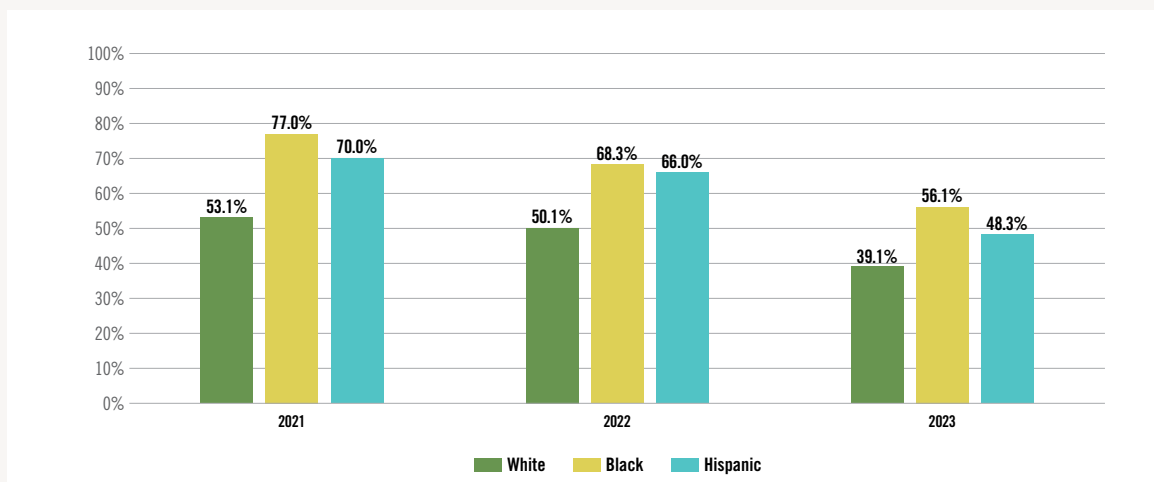
Figure 44: Self-perceptions of entrepreneurship in the U.S. adult population by racial/ethnic group, 2021–2023



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Fewer than half of Hispanic respondents stated they personally knew an entrepreneur, a lower proportion than Black people over the 3-year period displayed in Figure 45, but higher than that reported by White people. Having personal affiliations with entrepreneurs provides one with positive role models. As such, it can be valuable for people to have contact with entrepreneurs in their demographic group who can provide inspiration, and perhaps also guidance, to prospective or current entrepreneurs. In addition, these affiliations can provide potential participants in one's startup efforts—for example, as co-founders, advisors, or investors.

**Figure 45: Percentage of U.S. adults in three racial/ethnic groups who personally know an entrepreneur, 2021–2023**



Source: GEM United States, 2021–2023

## Rates of participation in business phases

The Black and Hispanic populations expressed similar levels of entrepreneurial intentions, EBO, and business closures in 2023, but the former group exhibited a much higher TEA rate than the latter. In fact, TEA rates dropped for all three groups in 2023 compared to 2022, but more so for the Hispanic group, where it dropped by half (Figure 46). It could be questioned whether lower capability perceptions and higher fear of failure contributed to this result. Still, intentions and EBO have remained relatively stable for the Hispanic population, signaling that they participate on either end of the entrepreneurship process.

The Black population shows a drop of about one third in both intentions and TEA; these will be important indicators to watch going forward. The White population continues to exhibit lower intentions and TEA than the other two groups, as well as a continuing decline in EBO, but the rate of business closures among White entrepreneurs also remained low.

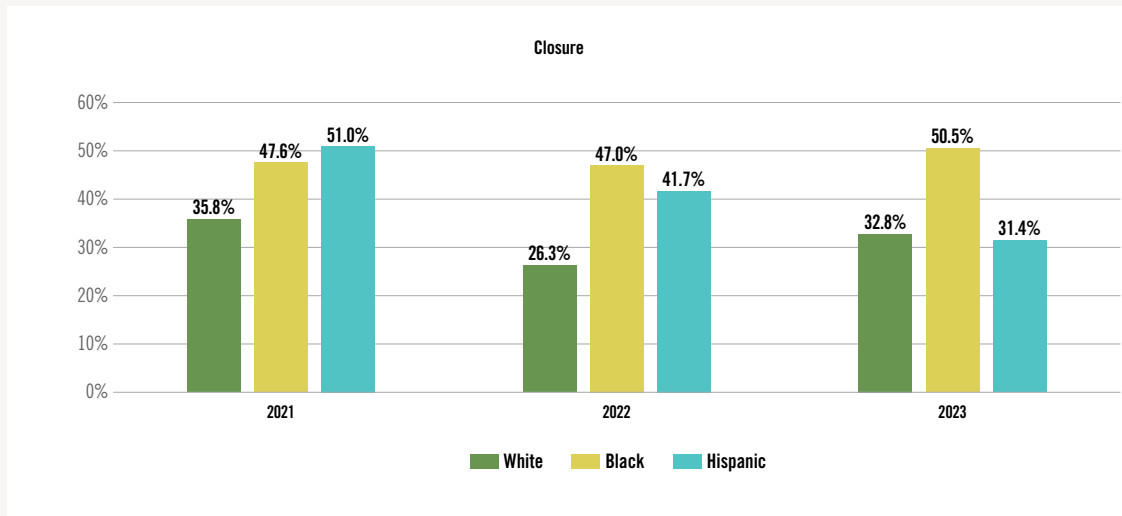
The higher rate of business closures among the Black and Hispanic population may reflect, at least to some extent, the fact that more people in these groups start businesses and not all of these ventures work out. Nonetheless, it could be helpful to understand the factors behind these closures, and especially whether a particular factor affects each racial/ethnic group more than the others.

Figure 46: Participation in four business phases in the U.S. adult population by racial/ethnic group, 2021–2023



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**Figure 46, cont.: Participation in four business phases in the U.S. adult population by racial/ethnic group, 2021–2023**

Source: GEM United States, 2021–2023

## Entrepreneurial motivations

Among both the Black and Hispanic populations, the majority of entrepreneurs cited building great wealth or generating high income as a major motivator for starting their businesses, and this was the case for the past 2 years, as exhibited in Figure 47. Hispanic people, in particular, were also highly motivated to make a difference in the world in 2023.

Both Black and White people reported a high and increasing level of job scarcity motivating entrepreneurship over the 3-year period. A higher percentage of Black respondents than White respondents cited this motivation all 3 years. However, White people were more likely to be motivated by job scarcity than building wealth in 2023, suggesting that the prospect of high income was less important than the push of necessity among this group.

Proportionately more Black respondents cited family-related motivations than respondents from the other two groups; this has remained relatively steady among the Black population between 2021 and 2023, while declining in importance among the Hispanic group.



### **Jihan Ramdhani – Founder, Sande Perfumery**

Jihan Ramdhani is the Founder and CEO of Sande Perfumery, a business dedicated to offering a unique, personalized perfume-making experience. At Sande, customers can explore various scents and create their own bespoke perfumes in a fun, interactive workshop. The company's mission is to provide an engaging and educational environment where individuals can learn about different fragrance profiles, experiment with combinations, and craft a signature scent that reflects their personality. Through this venture, Jihan aims to make the art of perfumery accessible and enjoyable for everyone, ensuring each customer leaves with a one-of-a-kind creation and a memorable experience.

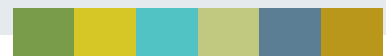
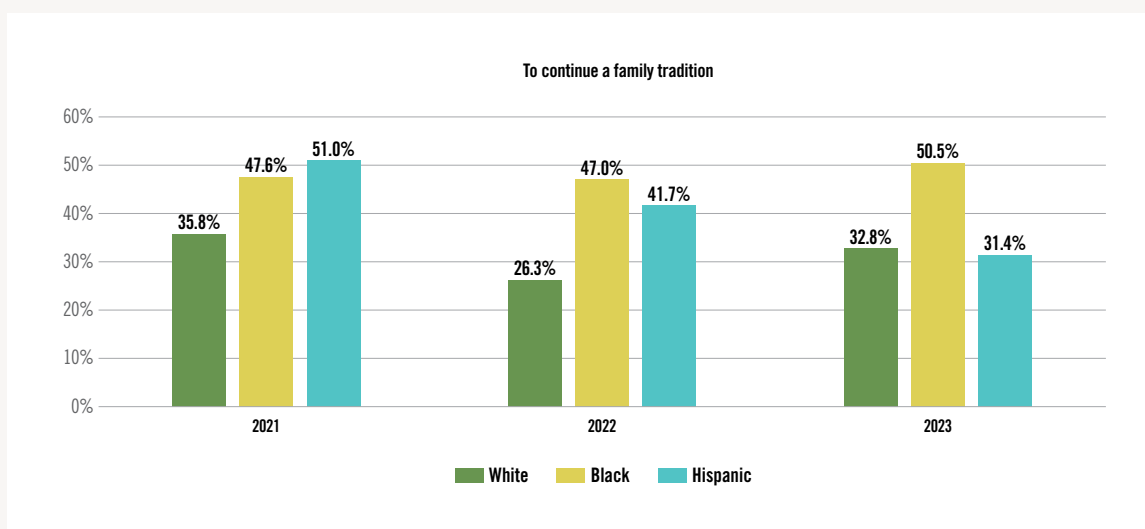


Figure 47: Motivations among entrepreneurs in the United States by racial/ethnic group, 2021–2023



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**Figure 47, cont.: Motivations among entrepreneurs in the United States by racial/ethnic group, 2021–2023**

Source: GEM United States, 2021–2023

## Summary

The Black population stands out relative to the other two groups, in that Black respondents reported more confidence in their ability to start a business, saw more opportunities for entrepreneurship, generally felt that starting a business in the United States is easy, and feared failure less than Hispanic or White respondents. Black people were also more likely to personally know an entrepreneur. Perhaps this explains why TEA rates among Black people were high—nearly twice as high as in the White population, although rates of business closures were also over twice as high.

TEA among Hispanic people was lower, despite them exhibiting similar levels of entrepreneurial intentions and EBO. The more widespread fear of failure in this group may explain, to some extent, this result. Additionally, Hispanic people were more likely to be motivated to start a business in order to make a difference and to generate high income.

The White population generally scored lower than the other two groups on many GEM indicators. Exceptions to this trend include the fact that more White respondents perceived entrepreneurs as having high status and that opportunity and capability perceptions within this group were nearly equal to the Hispanic population in 2023, as was TEA. Perhaps one of the most notable results coming from this group was that job scarcity was the most frequently cited motive for entering entrepreneurship.

# Social and environmental sustainability

06



**Anastacia Yefimenko – Founder, Elcove**

Anastacia has suffered from severe allergies and asthma her whole life, triggered by harmful chemicals found in many home-care products. This prompted her to create Elcove, a line of zero-waste home-care products that aims to make a sustainable and non-toxic lifestyle more affordable and accessible. Elcove offers reusable glass bottles and highly concentrated compostable refill pouches that can be mixed with water to create your own product at home.

In a year when the United Nations increasingly stressed the need for global collaboration to address global health, climate impact, and the regeneration of nature’s resources, entrepreneurs have continued to focus on building business models that prioritize sustainability, yet at a somewhat slower rate than in the previous 2 years. Mindful of the Paris Agreement’s key goals (e.g., to stay below 1.5°C of global warming by cutting emissions by 50% by 2030), various industries have formed new alliances, working together to identify and meet shared climate objectives.

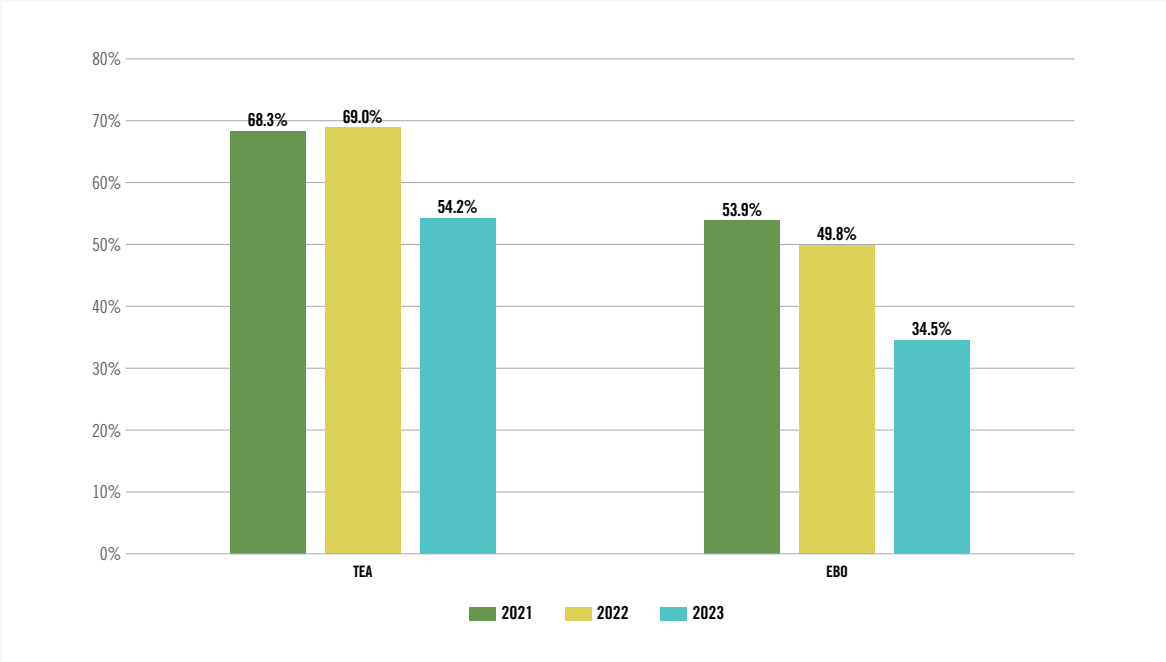
Entrepreneurs are a major part of pushing this agenda, as they create and support products and services that address social and environmental issues. In this, they are encouraged by legislative bodies and public-sector organizations across a number of countries that are working to make environmental and social impacts easier to measure and manage. The world is not really getting smaller, as the adage suggests; sharing and managing the Earth’s resources as the global population continues to grow requires continuous and innovative entrepreneurial action, in collaboration with regulators, to transition to a more effective, sustainable world economy.

Prioritizing social and environmental impact and the role of entrepreneurs

In 2023, with an inflationary economic environment, rising interest rates, and unrest and conflict in various areas of the globe contributing to supply-chain difficulties (including rising prices for supplies), the pressures on new ventures and established companies alike meant that they were forced to focus on survival, not just profitability.

Still, half of the entrepreneurs surveyed by GEM in 2023 prioritized the social and/or environmental impact of their businesses above profitability and growth, in comparison to a third of established business owners. However, in 2021 and 2022, both groups prioritized social and/or environmental impact to a greater degree (Figure 48).

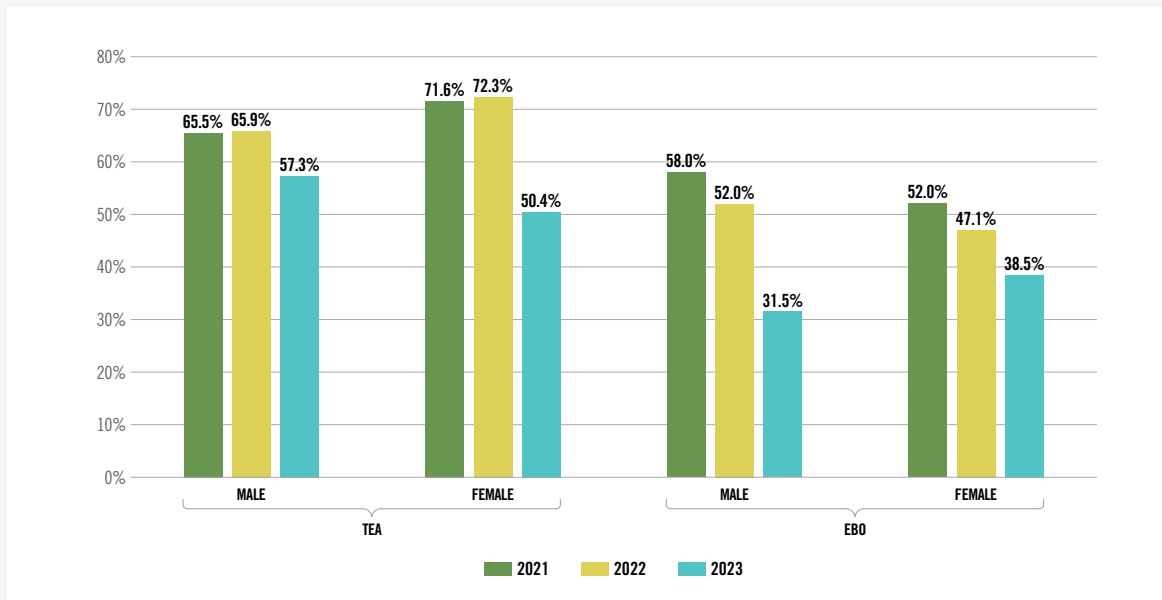
Figure 48: Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth, 2021–2023



Source: GEM United States, 2021–2023

Comparisons by gender show that women entrepreneurs shifted their focus away from social/environmental impact in 2023, compared to the previous 2 years. Men entrepreneurs also focused less on social/environmental impact in 2023, compared to the previous 2 years. For established business owners, the focus on social/environmental impact declined more significantly for men in 2023 relative to 2022 and 2021; women running established businesses reacted similarly, yet to a slightly lesser degree relative to the 2 previous years (Figure 49).

**Figure 49: Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth by gender, 2021–2023**

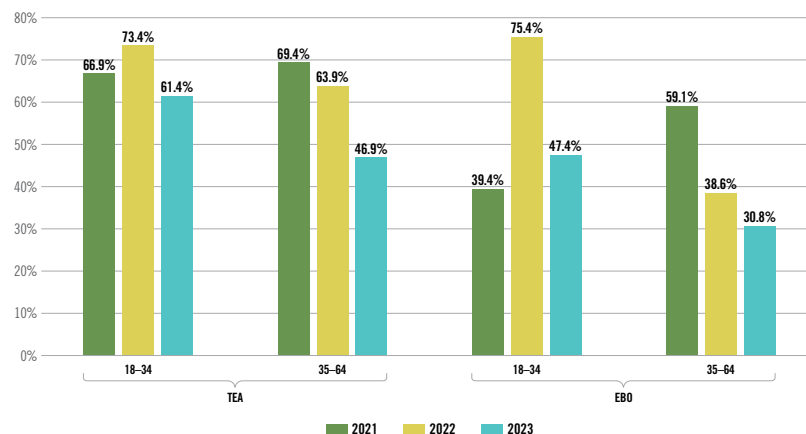


Source: GEM United States, 2021–2023

Similarly, when it comes to priorities, there is considerable disparity between younger and older entrepreneurs, whether they be new entrepreneurs or established business owners (Figure 50). Younger entrepreneurs (aged 18–34) significantly outpaced their older colleagues with regard to maintaining a social/environmental focus in 2023, suggesting that they may be starting businesses with these very priorities in mind.

Among established business owners, both age groups focused less on social/environmental concerns, with a little less than half of younger established business owners prioritizing the social and/or environment impact of their businesses in 2023, while only a third of older established business owners cited this as a priority; this indicator has also decreased significantly between 2021 and 2023.

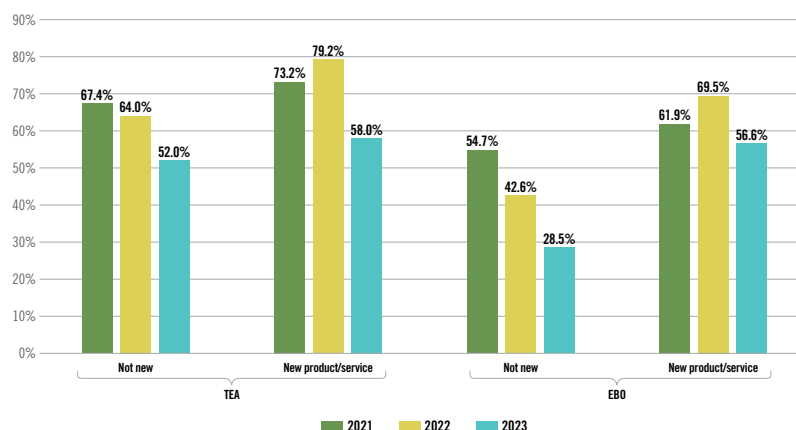
**Figure 50: Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth by age, 2021–2023**



Source: GEM United States, 2021–2023

Both new entrepreneurs and established business owners with innovative offerings prioritized social/environmental impact more than non-innovative entrepreneurs (Figure 51). The difference was relatively small across the group of all entrepreneurs surveyed; however, innovative established business owners were twice as likely as non-innovative established business owners to state this as a priority. When considering the past 3 years, it can also be observed that fewer entrepreneurs overall, regardless of their innovation level, stated that they prioritize the social and/or environmental impact of their businesses in 2023.

**Figure 51: Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their business above profitability or growth by innovativeness, 2021–2023**



Source: GEM United States, 2021–2023

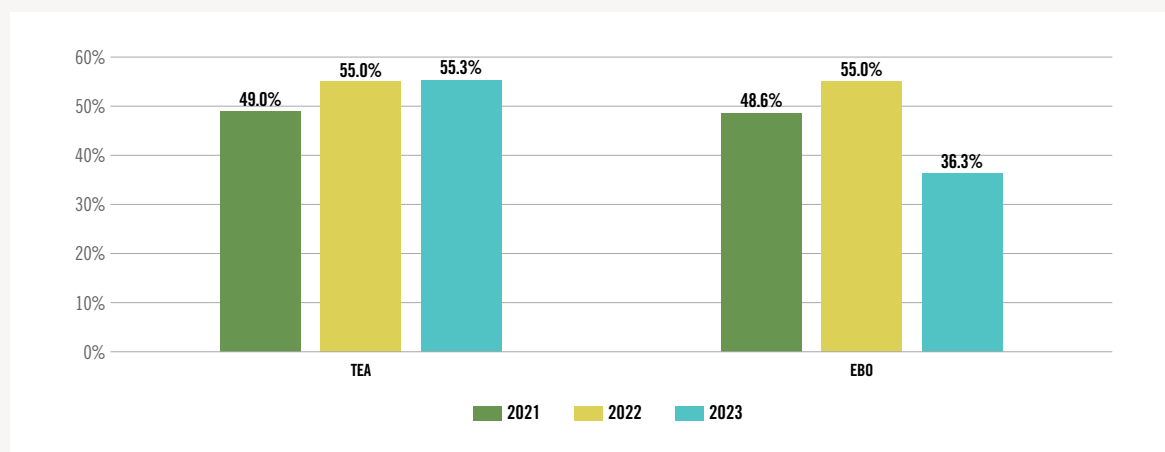


## Steps to minimize environmental impact

Compared to simply stating priorities, taking real steps toward social and environmental impact requires a greater level of commitment. Still, there is a wide range of possible steps for entrepreneurs and established business owners to take on this front, including introducing energy-saving measures, reducing carbon emissions or introducing more efficient machinery, taking care of the solid waste generated, using recyclable materials, and using alternative means of transportation, such as cycling, walking, collective rides, or public transportation.

In 2023, half of the entrepreneurs surveyed stated that they were actively taking steps to minimize their environmental impact, which was a similar proportion to 2022 and slightly above that reported in 2021. Compared to 2022, however, established business owners in 2023 were one third less likely to state that they took steps to minimize their businesses' environmental impact. The gap between entrepreneurs and established business owners also widened in 2023; in 2022, the two groups were equally likely to state they were taking steps to minimize their environmental impact (Figure 52). Perhaps this indicates that fewer entrepreneurs are worried about the environment, or that they have already put in place methods to reduce environmental impact (i.e., in 2022).

**Figure 52: Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to minimize the environmental impact of their business in the past year, 2021–2023**



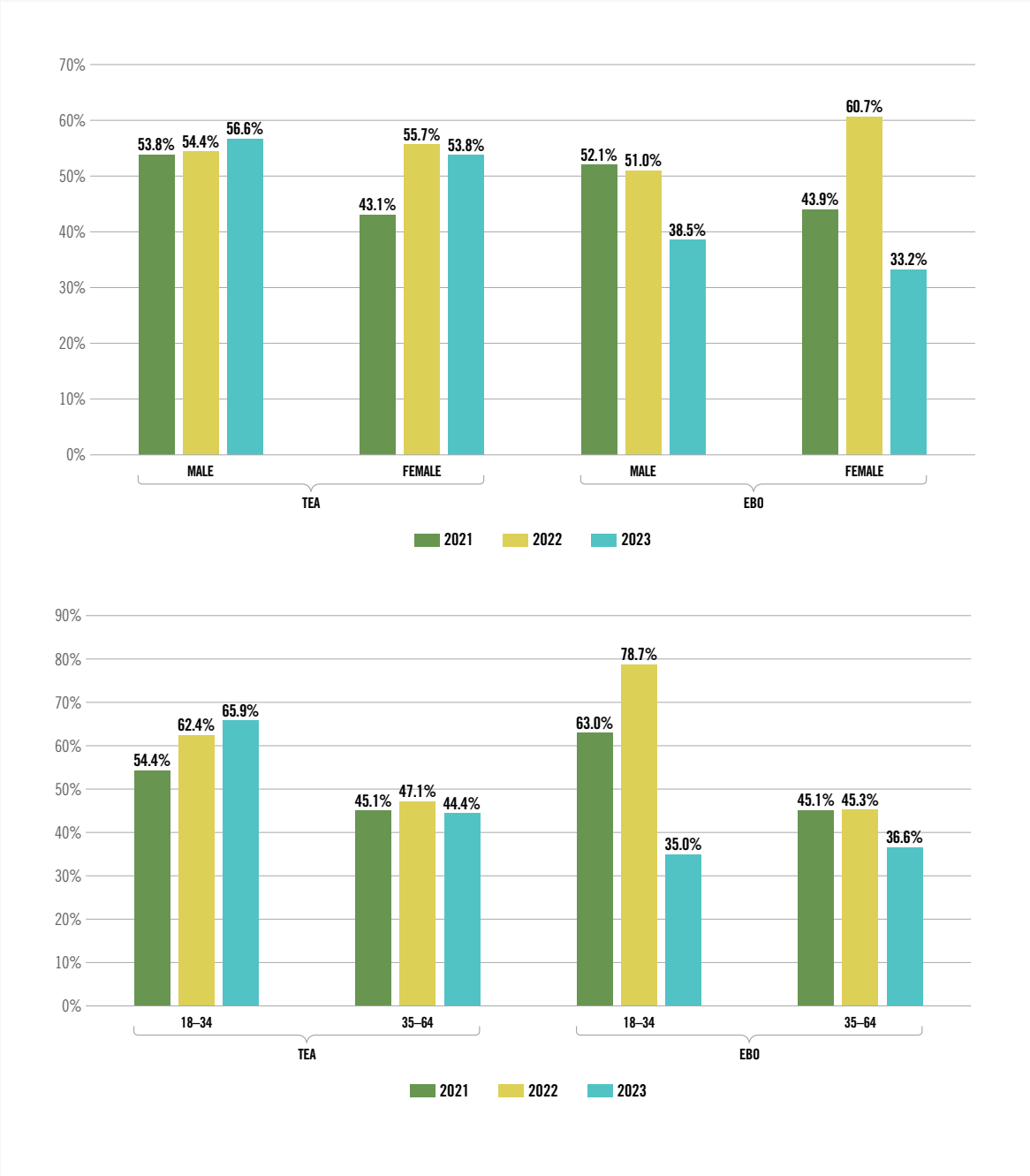
Source: GEM United States, 2021–2023

Looking at the breakdown of entrepreneurs stating they have taken action to minimize environmental impact by gender and age over the same period, interesting patterns emerge. Among all men entrepreneurs between 2021 and 2023, there has been a steady level of effort to minimize environmental impact; women entrepreneurs, meanwhile, have increased their efforts on this score, with both genders reporting a similar level of effort to minimize environmental impact in 2023. For established business owners, by contrast, there was a reduction in efforts by both genders in 2023, compared to the previous year.

Meanwhile, there is a wider discrepancy between the two age groups (18–34 and 35–64) of entrepreneurs and established business owners. Younger entrepreneurs tend to report minimizing their environmental impact more than their older counterparts. However, both younger and older established business owners reduced the extent to which they were focusing on environmental concerns in 2023. In fact, vastly fewer younger established business owners reported minimizing their environmental impact in 2023, reaching less than half the 2022 rate. As a result, younger established business owners were similar to older established business owners on this indicator in 2023.

Overall, however, entrepreneurs and business owners have continued to take actions to reduce their environmental impact, thus contributing positive steps toward a sustainable economy.

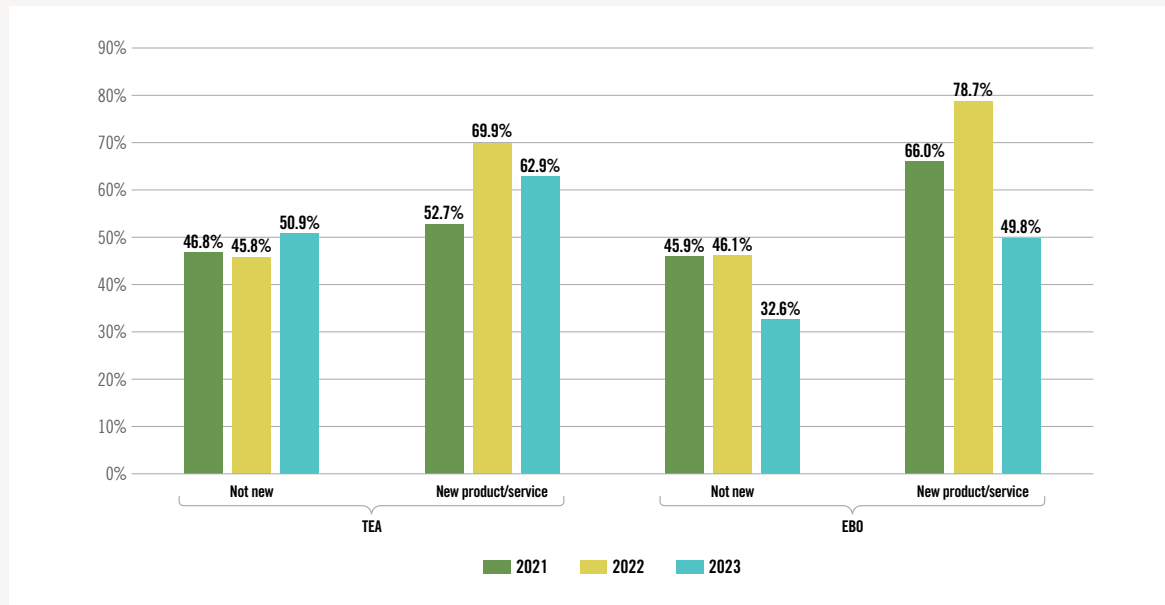
Figure 53: Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to minimize the environmental impact of their business in the past year by gender and age, 2021–2023



Source: GEM United States, 2021–2023

Among those offering innovative products and services, both entrepreneurs and established business owners made efforts to reduce their environmental impact, more so than those without innovative offerings (Figure 54). However, especially among established business owners, fewer took these actions than in previous years, regardless of innovation level.

**Figure 54: Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to minimize the environmental impact of their business in the past year by innovativeness, 2021–2023**



Source: GEM United States, 2021–2023



### Srihas Sampath and Tejashree Sawant – Founders, Skona

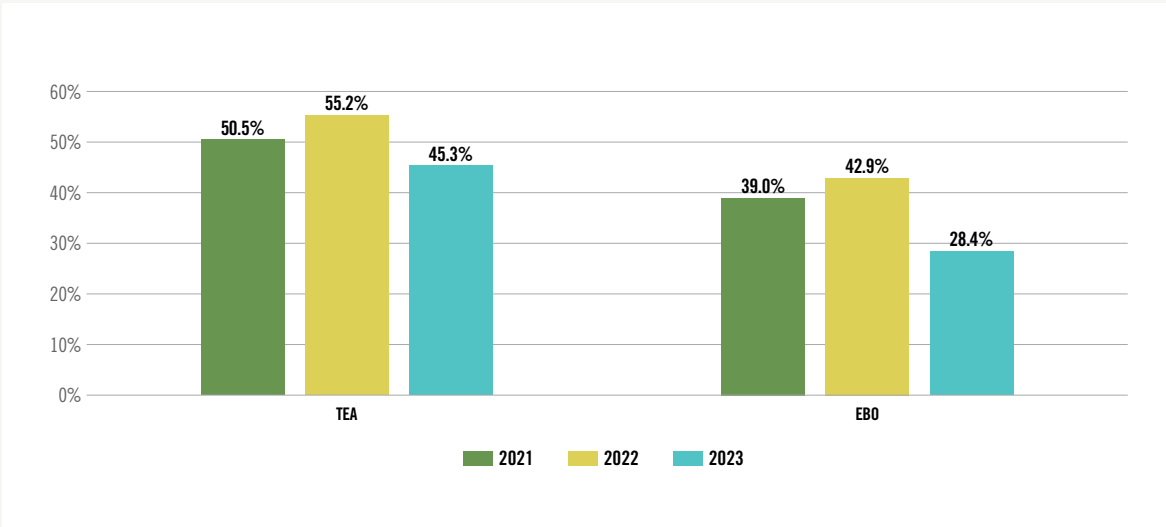
Srihas Sampath and Tejashree Sawant co-founded Skona with a mission rooted in a profound belief—that pets deserve the same quality nutrition as their human companions to experience joyful longevity. Skona sources the finest animal-based proteins, fresh organic produce, and all-natural Ayurvedic herbs, unlocking their full nutritional potential by minimizing processing. Skona’s formulations are then conscientiously packaged in eco-friendly, recyclable materials. Pet parents can look forward to more delicious and purposeful ways of nourishing their companions with Skona.

Steps to maximize the social impact of businesses

In 2023, entrepreneurs and established business owners also continued to take steps to maximize the social impact of their businesses, although fewer did so compared to the previous 2 years. Possible steps to maximize social impact include creating jobs for the unemployed and other groups with limited access to the labor market, incorporating social enterprises into one’s supply chain, ensuring that one employs a diverse workforce, prioritizing working with companies that take actions that respect human rights and the environment, fighting against any form of child or slave labor, and investing in or supporting projects or social organizations that develop the community and include less-favored groups.

Compared to 2022, all entrepreneurs were one fifth less likely to cite these actions, while established business owners were one third less likely (Figure 55). However, entrepreneurs were much more likely than established business owners to have reported taking these steps. Certainly, it may be that for established business owners, they had made significant efforts in previous years and were continuing to build upon these foundations in 2023.

Figure 55: Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to maximize the social impact of their business in the past year, 2021–2023



Source: GEM United States, 2021–2023

Both women and men entrepreneurs and established business owners continued their efforts to maximize the social impact of their businesses, but with differing results relative to the previous year. In 2023, fewer than half of women entrepreneurs stated that they took these actions, over one quarter less than in 2022, while men entrepreneurs reported similar results over these 2 years (Figure 56).

For established business owners, the proportion decreased even more. Slightly less than one third of women established business owners reported taking steps to maximize social impact, while little more than one quarter of men established business owners responded affirmatively to this indicator, with both showing a decline of around one third compared to the 2022 results.

Age had a significant role to play in this indicator. Over half of all entrepreneurs aged 18 to 34 reported taking significant steps to maximize social impact in 2023, whereas a little over one third of those aged 35 to 64 did so (Figure 56). Both age groups saw decreases compared to previous years, but this was more pronounced for the older age group.

This trend carried over into the established business owner group. Just under one half of younger established business owners reported taking steps to maximize social impact in 2023, compared to less than a quarter of the older group. Both age groups exhibited a decrease of over one quarter compared to the 2022 results.

**Figure 56: Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to maximize the social impact of their business in the past year by gender and age, 2021–2023**

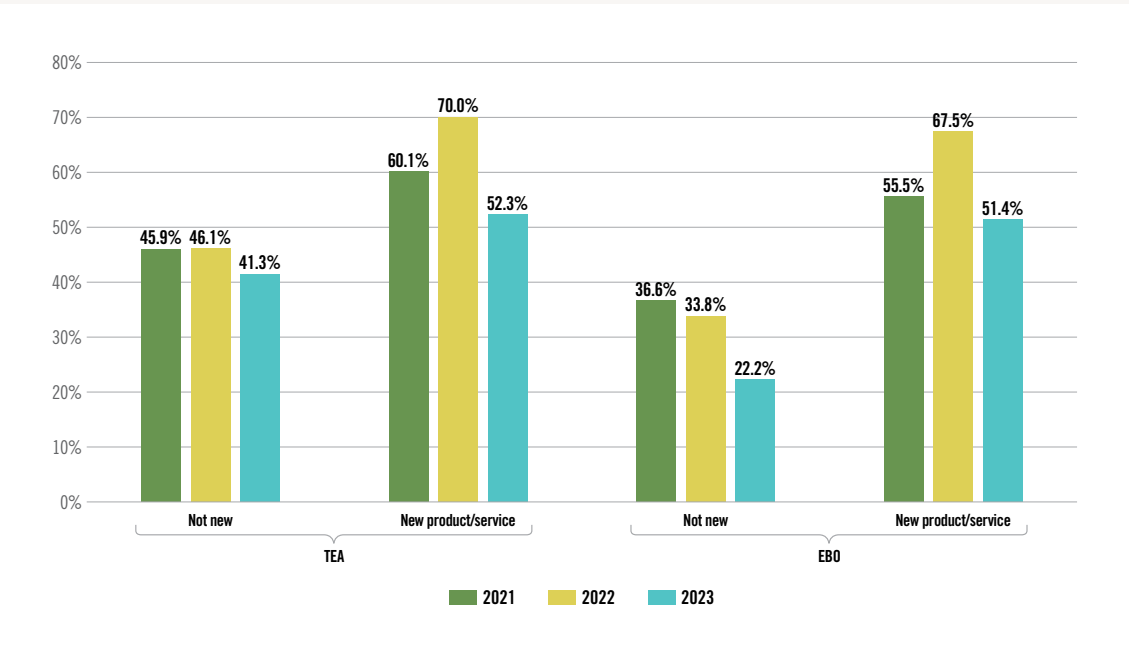


Source: GEM United States, 2021–2023

Innovative entrepreneurs and established business owners were both consistently more likely to have maximized their social impact. Over half of entrepreneurs with innovative offerings reported focusing on their social impact and, although this represented a decrease of one quarter from 2022, it remained higher than for entrepreneurs without innovative offerings.

The gap between innovative and noninnovative established business owners was even more pronounced, with half of innovative owners taking steps to maximize social impact—two and a third times the level of owners without innovations. However, both groups saw declines from 2022 (Figure 57).

**Figure 57: Percentage of entrepreneurs and established business owners in the United States who stated they have taken steps to maximize the social impact of their business in the past year by innovativeness, 2021–2023**



Source: GEM United States, 2021–2023



**Vitor Ungari – Founder, Aurica**

Vitor Ungari dedicated his whole career to social entrepreneurship and sustainability. These experiences led him to found Aurica in 2022, a startup democratizing environmental, social, governance, and sustainability for small to medium-sized enterprises. He helped develop Green Skills among different groups of people in the workforce, increasing awareness and capabilities for companies to do better for people and the planet. Aurica helps companies and organizations take the first step toward more responsible management of their businesses.

## Entrepreneurs and established business owners across 15 high-income economies

Among the 15 high-income economies participating in GEM in 2023, entrepreneurs in the United States reported slightly above-average actions for both the environment and social impact. However, established business owners were substantially below average. As Figure 58 demonstrates, entrepreneurs in many countries expressed their commitment to improving the environment and society, in concert with new initiatives around the globe. Changemakers collaborating across different countries and continents will drive improvements in both the planet and human conditions. In this context, it will become increasingly important to cooperate and collaborate in business with environmental and social innovation in mind. More and more people are recognizing businesses' responsibilities with regard to the health of the planet, and methods to support and improve human society loom large too. In this context, environmental and social priorities will only become more prominent with time.



### Gopika Maheshwari and Rohan Patil – *Founders, Plantex*

Recognizing that the textile industry is the second-most-polluting industry globally, co-founders Gopika Maheshwari and Rohan Patil started Plantex, a pioneering biomaterials science company. Plantex innovates by creating carbon-neutral textile raw materials, converting plant stems into high-quality fibers using proprietary bio-enzyme processing, and effectively replacing toxic chemicals. The flagship fiber, ReGrass, is sustainably cultivated in rural India, where Gopika and Rohan collaborate with over 180 women farmers, integrating significant environmental gains with social impact.



Figure 58: Percentage of entrepreneurs and established business owners in 15 high-income economies who stated they have taken steps to minimize the environmental impact and/or maximize the social impact of their business in the past year, 2023



Source: GEM, 2023



## Summary

Overall, environmental and social sustainability, both in terms of minimizing environmental impact and maximizing social impact, continues to be a priority for both new entrepreneurs and innovators in established businesses. However, it can be inferred that increasing concerns about economic factors, including inflation and high interest rates, have caused decreases in investments in sustainability in 2023, particular among established business owners.

Climate change is a key concern for both businesses and society. The Paris Agreement is a legally binding international treaty on climate change that 196 parties signed in 2015.<sup>5</sup> As 2030, the deadline for the goals of limiting global warming to 1.5°C above preindustrial levels, draws nearer, constructive action must be taken to reduce greenhouse gas emissions, to ensure they peak before 2025 and decline by half by 2030. At the end of 2023, the Earth was approximately 1.4°C warmer than the preindustrial average. Measurements from NASA conclude that “the 10 most recent years are the warmest on record.”

Innovators are clearly hearing the call for change, building new ways of carrying out business processes that put environmental and social innovation at the forefront. The question remains, however, as to how high-income and developing economies can collaborate effectively to support key infrastructures to inspire, create, transform, and cultivate innovative business models to drive environmental and social innovation. This must be a central focus in the critical years ahead, in order to nurture and sustain the Earth.

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<sup>5</sup> “The Paris Agreement,” United Nations, accessed June 21, 2024, <https://unfccc.int/process-and-meetings/the-paris-agreement>.

# CONCLUSIONS

The 2023 GEM United States report reveals much to consider with regard to the current status of entrepreneurship and its projected progress over time. First of all, the results suggest a slowing across all phases of business activity, with lower entrepreneurial intentions, TEA, and EBO levels in 2023. This is reflective of the decline in society-wide beliefs about the ease of starting a business, in potential entrepreneurs' perceptions of their own capabilities to start businesses, and in personal affiliations with entrepreneurs, alongside an increased fear of failure. It illustrates the importance of staying abreast of how society is feeling about entrepreneurship, because this can impact the willingness of potential entrepreneurs to undertake new business ventures, as well as the support of the broader population for those who do.

While overall levels of entrepreneurship are down, a novel result can be seen in 2022 and 2023: young people, aged 18–24, were becoming entrepreneurs at the highest level ever reported in GEM's history. From 1999 until 2021, the highest rates ever reported in GEM's history. From 1999 until 2023, the highest rates of entrepreneurship were always seen among 25–34- and 35–44-year-olds. Perhaps this indicates a shift toward younger entrepreneurs in the future. After all, these young adults are often regarded as having creative ideas and a willingness to experiment. Additionally, they have the rest of their careers to make up any losses if their ventures do not work out, and they can apply what they learn as young entrepreneurs to their careers moving forward. However, they may not have the experience, resources, and networks of those who have been in the workforce for at least several years. It may therefore be valuable to help them generate personal assets that they can leverage in their entrepreneurial pursuits and guide them in applying what they are learning along the way to maximize the success of their ventures.

It is important to acknowledge a range of entrepreneurs that bring value to U.S. society. It should be noted that relatively few entrepreneurs start high-technology, growth-oriented global businesses. However, these are the businesses that contribute greatly to the health of the U.S. economy, and it is therefore critical to support them in a way that gives them the best chance to grow and thrive. The increase in participation in ICT and in medium- and high-technology sectors are encouraging signs for high-potential businesses in the United States. At the same time, the 2023 results showed a dramatic increase in wholesale/retail sectors, which may offer limited financial returns for their owners.

Still, these types of businesses are important to the U.S. economy, especially given their numbers, and even non-tech, seemingly low-margin businesses can have growth potential, so these entrepreneurs should also be given appropriate training and

mentoring opportunities, ensuring that they have the best chance of achieving their aspirations.

Analysis of entrepreneurship by gender reveals some gender gaps. Still, although the various indicators have fluctuated over the past few years, women in the United States generally hold entrepreneurship in high regard and are active participants in all business phases. Furthermore, the majority of women entrepreneurs anticipate hiring in the future, they report reaching national and international markets, and many are introducing new products and services.

The findings on race/ethnicity further illustrate the value of embracing diversity in entrepreneurship. For example, TEA rates among Black people were nearly double TEA rates among White people, bringing not only income to the entrepreneurs and their families, but benefits to the employees they hire, the customers they serve, and other stakeholders with whom they work. Continued visibility and support for diverse entrepreneurs will ensure that the United States benefits from equal access to entrepreneurship.

The results for 2023 indicate that entrepreneurs are taking fewer steps to protect the environment or create social impact. This may be a reflection of current economic conditions, but there is still a need for attention to be paid to environmental and social concerns if the United States is to continue promoting and incentivizing businesses to act sustainably as part of the wider international community.

A key aim of GEM is to inform academics, educators, policymakers, and practitioners about the frequency and nature of entrepreneurship in and across economies around the world in order to foster understanding, support, and conditions that allow entrepreneurship to thrive. This report seeks to advance knowledge about the multidimensional nature of entrepreneurship in the United States, highlighting the importance of entrepreneurs to the U.S. economy, guiding decisions, and stimulating initiatives that foster entrepreneurship throughout U.S. society.



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