GLOBAL ENTREPRENEURSHIP MONITOR 2024–2025 United States Report

National Entrepreneurship Assessment for the United States of America

BABSON COLLEGE

AI-assisted background artwork created in Firefly

Global Entrepreneurship Monitor

2024–2025

United States Report

BABSON COLLEGE

Babson Park, MA

Contents

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Foreword

The pace and intensity of technology, geopolitical conflict, and global economic uncertainty are driving market volatility. Managing this uncertainty will require innovation, ingenuity, and the ability to find common ground. This is where entrepreneurs will lead the way.

The 2024–2025 United States Report by the Global Entrepreneurship Monitor (GEM) supports this thesis. Total entrepreneurial activity (TEA)—GEM's cornerstone index—rose to historic levels in 2024, signaling a powerful resurgence of entrepreneurial dynamism across the country. At 19% of the eligible population (those aged 18–64), the 2024 TEA represents the highest rate for the United States in GEM's 26-year history.

Among the 19%, two thirds cited job scarcity as a motive for starting a business. That is telling. It underscores the value that entrepreneurship has long held as an enabler of growth and shows that the increased pace of change in the country is spurring on TEA.

Yet, GEM findings report that the United States falls short in its efforts to support budding entrepreneurs. We fall lower than average among 32 high-income economies when it comes to established business ownership, with only 7% of Americans running mature businesses. Though TEA is at an all-time high, particularly among younger generations, funding opportunities have lagged in the post-pandemic landscape.

Corporations and policymakers must embrace the entrepreneurial mindset to foster an environment where entrepreneurs can fortify their ventures into long-lasting, impactful businesses. Doing so will sustain economic vitality and propel new innovations that bring with them the potential to move society forward.

New technologies and the growth of artificial intelligence (AI) capabilities are playing a critical role in the rise of entrepreneurial success. GEM findings reveal a rapid adoption of AI, with 63% of entrepreneurs and 49% of established business owners actively using new generative technologies.

This embrace of cutting-edge technologies holds the potential for unprecedented growth. Generative AI offers entrepreneurs and business owners opportunities to iterate, brainstorm, and reimagine approaches at a remarkable pace. The entrepreneurial adoption of the ever-changing inventory of AI tools and software is a model that all would benefit from following. That sandbox is where the answers to society's greatest challenges will be imagined and brought to scale.

As a college president and lifelong entrepreneur, I am encouraged by the next generation's embrace of entrepreneurship as a core competency. Their action and innovation will create the solutions our world so deeply needs. I am confident that you will share these sentiments after exploring the latest GEM findings.

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

In 2024, the Global Entrepreneurship Monitor (GEM) conducted its 26th annual survey. Academic research teams in 56 economies collected and analyzed 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 society.

Research teams in over 120 economies have participated in GEM since its first survey in 1999. Babson College, a co-founding institution and longtime global sponsor of GEM, also sponsors the U.S. team, which administers the survey in the United States each year.

The 2024–2025 U.S. national report includes a number of new insights: findings from the global survey on the special topic of digital technology and artificial intelligence (AI) and results unique to the United States, such as veteran/military status, race/ethnicity, and regional analyses, as well as expanded demographic profiles and an examination of informal investment activity.

Below are select findings detailed in this report.

Rates of Participation Across Business Phases: More Starting but Fewer Lasting

- Total entrepreneurial activity (TEA) rebounded to 19% in 2024, a level reported 2 years earlier and the highest in the United States in GEM's history. This was nearly two thirds higher than the overall average for the 32 high-income economies (with greater than $50,000 gross domestic product per capita) participating in GEM in 2024.
- Over two thirds of entrepreneurs cited job scarcity as a motive for starting a business, continuing an upward trend since 2022.
- Intentions to start a business continued a stable although slightly fluctuating pattern, settling at 13% for 2024, one third lower than the average for the 32 high-income economies.
- Established business ownership (EBO) continued its generally downward trend since 2020, with less than 7% of Americans running mature businesses in 2024, just below the average for the 32 high-income economies. This result is coupled with a higher level of business closures since 2020, with, in 2024, 4.5% of people surveyed stating they had closed a business in the past year, nearly one third of whom cited unprofitability or problems obtaining financing.
- The highest rates of entrepreneurial activity in 2024 were reported among those aged 18–24 and 25–34 (25% TEA for both age groups). This continues the trend toward younger entrepreneurs first reported in 2023—previously, those in mid-career age groups exhibited the highest rates. Regarding other demographics, entrepreneurship was fairly evenly distributed across income and education levels.
- Nearly half of those serving part-time or full-time in the military were in the process of starting or running a new business, but veterans had an equal likelihood of being an entrepreneur as those without military or veteran status (19%). Both active-duty military (16%) and veterans (11%) had higher rates of established business activity than those with no military service (6.1%).
- Immigrants were not significantly more likely to be entrepreneurs than people born in the United States (20% vs 19%). The same can be said for established business owners (5.6% vs 6.5%). However, high rates of both entrepreneurship (31%) and EBO (12%) were seen among U.S. citizens born abroad.

OVER TWO THIRDS of entrepreneurs cited job scarcity as a motive for starting a business

Regional Analysis: Entrepreneurial Leadership in the South and the West

- Societal attitudes toward entrepreneurship showed minor differences across the four regions of the United States, although people in the South and the West were slightly more likely to state it is easy to start a business (59% for both vs 55% for the Midwest and 54% for the Northeast). The Midwest exhibited lower values on capability perceptions (50% vs more than 57% for the other regions).
- The South and the West showed slightly higher TEA rates (20% and 21%, respectively) compared to the Midwest (16%) and the Northeast (18%). Few differences were reported for EBO and business closure.

Entrepreneurial Impact: Innovative, Global, and Growth-oriented

- Among the industry groupings featured in this report, entrepreneurs in 2024 most frequently participated in wholesale/retail (36%), followed by health, education, government, social and consumer services (20%), then finance, real estate, and business services (17%). Information and communication technology accounted for 7.2%, similar to the previous 2 years.
- The increased levels of TEA and EBO in medium- and high-technology sectors in 2023 continued into 2024, with 7.4% of entrepreneurs and 10% of established business owners reporting these types of businesses—for entrepreneurs, this ranks just below the average for the 32 high-income economies participating in GEM in 2024.
- In 2024, 44% of TEA in the United States involved entrepreneurs introducing products and services that were either new in their local market, new to customers across the United States, or new to the world. Additionally, nearly 40% of entrepreneurs reported using novel technologies or methods in their processes.
- Among entrepreneurs, 34% of sales originated within their local markets in 2024, and 35% occurred elsewhere in the United States. International sales contributed 27% to their total revenue. Similar results were reported among established business owners.
- Among established business owners, 78% employed at least one person at the time of the 2024 survey. Nearly one fifth had more than 20 employees. Regarding future projections, 40% of established business owners anticipated hiring at least one more employee in the next 5 years.
- Entrepreneurs reported high job creation expectations, with 73% expecting to hire at least one additional employee in the next 5 years.

73% of entrepreneurs expected to hire at least one additional employee in the next 5 years

Digital Technologies and AI: Embraced by Entrepreneurs and Established Business Owners

- At least one quarter of sales were made through digital technologies for 68% of entrepreneurs and for 47% of established business owners. Among entrepreneurs, 60% expected this to increase in the next 6 months, versus 46% of established business owners.
- Nearly all entrepreneurs reported using email and social media (91% for both) and having a website for their business (88%). Established business owners were more likely to use email (87%) than social media (74%) and a business website (73%).
- Data analytics were used by 81% of entrepreneurs and 70% of established business owners, and 77% of the former and 65% of the latter identified using cloud-based services, video conferencing, and/or customer or business relationship management software.
- AI tools were being used by 63% of entrepreneurs and 49% of established business owners, with even more entrepreneurs (73%) and established business owners (59%) anticipating that such tools will be important for implementing their business model and strategy in the next 3 years.
- The biggest concern around AI for both entrepreneurs and established business owners centered on data security and privacy, with 86% and 80%, respectively, citing potentially low or high levels of impact.
- More than 82% of entrepreneurs and more than 70% of established business owners believed that AI had a low or high positive impact (as opposed to no impact at all) on their operational productivity and efficiency, revenue and business growth, and personalization for customers.

Attitudes, Self-perceptions, Affiliations, and Investment: U.S. Society Supports Entrepreneurship

- Societal attitudes reached their highest point in the United States, with 82% of adults believing entrepreneurship is a good career choice and that entrepreneurs have high status and positive media attention (84% for both). The United States ranked particularly high among the 32 high-income economies on career choice and media attention. However, only 57% of Americans perceived it was easy to start a business, matching a low point reached in the previous year.
- Capability perceptions increased in 2024 after a drop in 2023, reaching 56%. Opportunity perceptions increased over the previous 2 years to 59%, but among those perceiving opportunities, 44% would not start a business because of fear of failure, a high level maintained since 2020. Among the 32 high-income economies, the United States was average for capability perceptions, above average for opportunity perceptions, and slightly below average for fear of failure.
- Personal affiliations with entrepreneurs were on a declining path from 2021 to 2023, but rebounded to 53% in 2024.
- The percentage of Americans investing in an entrepreneur increased from the previous year, reaching 14% in 2024, with a median amount of $5,000 and more than half of investments going to close family members or other relatives.
- Overall, only 37% of investments went to women. When the gender of the investor is taken into account, only 14% of men investors funded women recipients, while 68% of women investors stated they invested in women entrepreneurs.

82% of adults believed entrepreneurship is a good career choice

Gender in Entrepreneurship: Women Showing Resilience, Adaptability, and Impact

- Women exhibited strong positive attitudes about entrepreneurship as a career choice and the status and media attention of entrepreneurs in 2024, reaching the highest levels on these indicators and with values about equal to those of men.
- Beliefs about the ease of starting a business dropped for both genders in 2023 and continued at a similar level in 2024 (55% for women vs 60% for men).
- In 2024, just over half of both women and men stated they personally know an entrepreneur, a rebound in this indicator after a decline in 2023.
- Positive signs can be seen in increased opportunity and capability perceptions among women, and a slight decline in fear of failure. However, women were nearly one quarter less likely than men to express capability perceptions (48% vs 63%).
- In 2024, both women and men reported jumps in TEA over the previous year (from 13% to 18% for women and 16% to 21% for men). Intentions increased by only one percentage point for both (to 12% for women and 15% for men). EBO remained low (5.3% for women and 7.9% for men) and closure activity was high (4.1% for women and 5.1% for men). Compared to the 32 high-income economies participating in GEM in 2024, both women and men showed higher than average TEA rates, with a narrower than average gender gap.
- Job scarcity as a motive for starting a business increased substantially for both men and women: around two thirds of each identified this as a motive in 2024.
- An analysis of industry sectors revealed that both women and men were most likely to start a business in the wholesale/retail sector. The next most popular industry group for women was health, education, government, and social services, followed by manufacturing and transportation, with women showing higher levels than men in these industries. However, men were over twice as likely as women to be starting a business in information and communication technology (10% vs 4.3%).
- The majority of women (71%) and men (74%) entrepreneurs expected to add at least one new employee in the next 5 years. Among established business owners, women were less likely than men to anticipate hiring new employees in the next 5 years (36% vs 43%).
- The percentage of women entrepreneurs with international market scope in 2024 showed a nearly one-quarter increase over the previous year, and equal to the level reported by men (27%).
- Among women entrepreneurs, 40% stated they were introducing products or services that would be considered new at a local, national, or international level, with 47% of men reporting the same.

TWO THIRDS

of both men and women cited job scarcity as a key motive for starting a business

40%

of women entrepreneurs stated they were introducing new products or services at a local, national, or international level

Race and Ethnicity Characteristics: Demonstrating the Diversity of Entrepreneurship in the United States

- White, Black, and Hispanic populations were broadly in agreement about the high status of entrepreneurs, but Black and Hispanic people were more likely than White people to believe that entrepreneurship is a good career choice (90% and 87% vs 80%) and receives positive media attention (90% and 89% vs 82%).
- Black people were most likely to state that it is easy to start a business (65% vs 59% for Hispanic people and 55% for White people). This group was also most likely to perceive opportunities (78% vs 61% and 56%) and believe they have the capabilities for starting a business (71% vs 57% and 53%), and least likely to have fear of failure (37% vs 46% for both Hispanic and White people). In addition, they were most likely to personally know an entrepreneur (65% vs 56% and 50%).
- Black people had the highest rates of entrepreneurial intentions (24% vs 14% for Hispanic people and 12% for White people), TEA (28% vs 20% and 17%), and business closure (5.9% vs 4.0% and 4.1%). However, Black and White people exhibited the same level of EBO (7.0% vs 4.7% for Hispanic people).
- Black and Hispanic people were more likely than White people to identify making a difference (71% for both vs 63%), building wealth (79% and 82% vs 68%), and family tradition (43% and 48% vs 34%) as motives for starting a business. There was little difference among the groups regarding job scarcity as a motive.

Sustainability in Entrepreneurship: Renewed Social and Environmental Focus

- In 2024, 60% of entrepreneurs and 47% of established business owners stated that they prioritized the social and/or environmental impact of their businesses above profitability and growth, representing an increase for both groups after a decline reported in the previous year.
- Among entrepreneurs, 62% stated that they took steps to minimize the environmental impact of their businesses in 2024, while 59% of established business owners said they did so—the highest levels for both groups since 2021. Among the 32 high-income economies participating in GEM in 2024, the United States was among those with the highest percentage on this indicator for entrepreneurs, but was slightly below average for established business owners.
- In 2024, 59% of entrepreneurs and 50% of established business owners indicated they took action to maximize social impact, higher than the rates for the previous 3 years. The United States scored well above the 32 high-economy average on this indicator for entrepreneurs but around the average for established business owners.
- There were few gender differences in prioritizing sustainability and taking steps to minimize environmental impact and maximize social impact.
- Young entrepreneurs (18–34 years) were more likely than older entrepreneurs (35–64 years) to prioritize sustainability (65% vs 56%) and take steps to minimize environmental impact (68% vs 57%) and maximize social impact (66% vs 53%).
- Innovative entrepreneurs were consistently more likely than their non-innovative counterparts to prioritize sustainability (68% vs 55%) and take steps to minimize environmental impact (69% vs 57%) and maximize social impact (69% vs 52%).

62%

of entrepreneurs stated that they took steps to minimize the environmental impact of their businesses

Havell Rodrigues—Co-Founder, New Majority Capital

Having overcome personal challenges regarding access to capital, Havell Rodrigues co-founded New Majority Capital (NMC) with Kris Schumacher to address the wealth gap through developing entrepreneurship by acquisition. NMC runs an accelerator program to train entrepreneurs in underrepresented groups on how to acquire businesses and provides equity capital to unlock financing for these acquisitions. Havell is dedicated to helping others achieve economic mobility and business ownership, empowering them to build lasting success and create opportunities for future generations.

Mariana Valencia—Founder, Corriendo con Mariana

Driven by her own cancer journey, Mariana Valencia founded Corriendo con Mariana (Running with Mariana), a nonprofit dedicated to giving a fighting chance to every child diagnosed with cancer in Guatemala. Currently operating in the US, the organization provides critical support, including nutrition, hygiene, and emotional care, to children and their families, ensuring no child faces cancer alone. Mariana's experience as an athlete, combined with her survival story, fuels her commitment to helping others and driving change in the lives of young cancer patients.

THE UNITED STATES ECONOMY IN 2023–2024

intro

As in previous years, the 2024 Global Entrepreneurship Monitor Adult Population Survey (GEM APS) was conducted in May and June in the United States and other participating economies.

As in previous years, the 2024 Global Entrepreneurship Monitor Adult Population Survey (GEM APS) was conducted in May and June in the United States and other participating economies. The survey measures entrepreneurial intentions, activities, and outcomes, which can be affected by economic conditions in the 12 months prior to the survey. In addition, some entrepreneurship measures, such as intentions, could be affected by the economic outlook expected at the time of data collection. Hence, this section will review the state of the U.S. economy during the year prior to the survey and a few months following it.

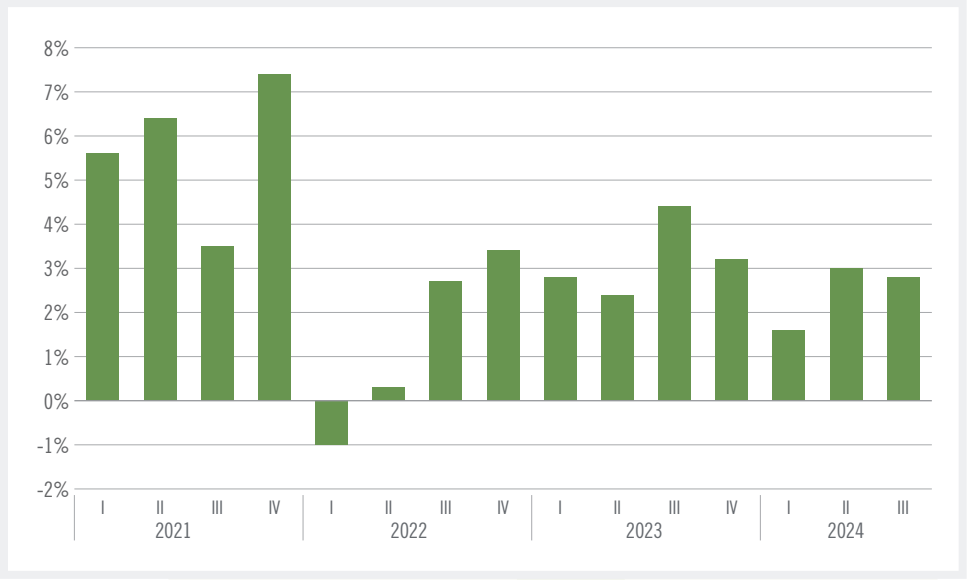
Throughout the second half of 2023 and the first three quarters of 2024, the U.S. economy exhibited remarkable resilience in the face of both global and domestic uncertainties. This period was characterized by robust growth, a decline in inflation, and a strong labor market. However, the economy faced challenges, including elevated interest rates, concerns over a potential recession, and geopolitical tensions that threatened international trade stability.

The final two quarters of 2023 saw impressive annualized growth rates of 4.4% and 3.2% in U.S. real gross domestic product (GDP). Economic growth persisted into 2024, with growth rates of 1.6%, 3%, and 2.8% in the first three quarters (as shown in Figure 1). This growth was primarily driven by resilient consumer spending, a rise in exports, and increased federal government spending. Strong consumer demand was especially beneficial to entrepreneurs throughout this period.

Inflation was likely the most closely watched economic indicator during 2023–2024. As shown in Figure 2, three inflation measures saw a significant decline over this period. The Consumer Price Index (CPI) fell from a peak of 9.1% in June 2022 to 2.4% by September 2024. Other more comprehensive measures of inflation—based on the Personal Consumption Expenditures Price Index (PCEPI) and the core PCEPI (excluding food and energy)—peaked at approximately 7.2% and 5.6%, respectively, before dropping to 2.1% and 2.7%, respectively, in the same period. These three measures showed the most substantial declines in the second half of 2023, and the pace of decline slowed significantly in 2024. The moderation in inflation provided relief to both businesses and consumers, lowering input costs for firms and preserving consumer purchasing power.

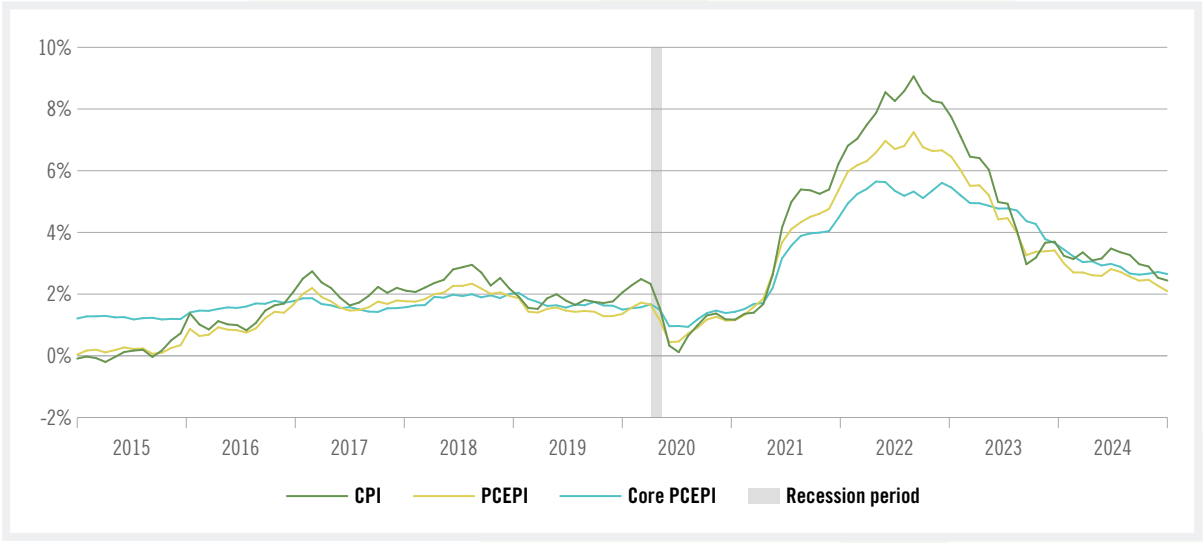
The reduction in inflation resulted from the Federal Reserve's (the Fed's) strong commitment to raising the federal funds rate (the benchmark interest rate for the economy) from near-zero levels in 2015 (0.1%) to 5.3% by August 2023 (Figure 3). The Fed's consistent and clear communication of its intent to raise interest rates until inflation was under control proved effective. As inflation rates approached the Fed's target of 2% and concerns about a potential economic slowdown grew, the Fed began lowering the federal funds rate toward the end of the third quarter of 2024.

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



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, November 18, 2024.

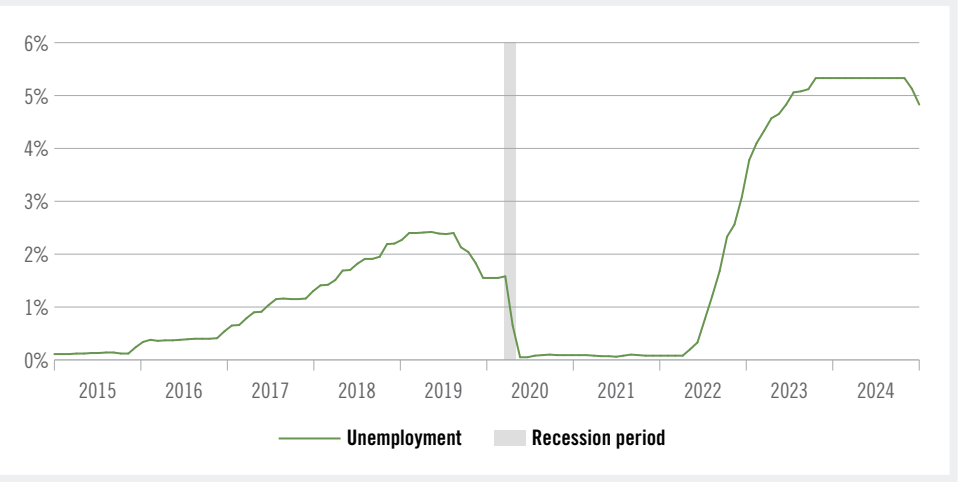
Figure 2: Inflation rates (year-on-year change in CPI, PCEPI, and core PCEPI)



Source of data: authors' calculation from CPI, PCEPI, and core PCEPI data
CPI data: Organisation for Economic Co-operation and Development, CPI: Total All Items for the United States [CPALTT01USM657N], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/CPALTT01USM657N, November 18, 2024.
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, November 18, 2024.
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, November 18, 2024.

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

Figure 3: Federal funds rate



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, November 18, 2024.
Note: The gray box shows the recession period. Each tick mark on the horizontal axis shows the beginning of the year.

Although concerns about an imminent recession—often referred to as a "hard landing"—due to rising interest rates were prominent throughout 2023, developments in 2024 suggested that these fears may have been overstated. Consumer spending and economic activity continued to grow, as shown in Figure 1.

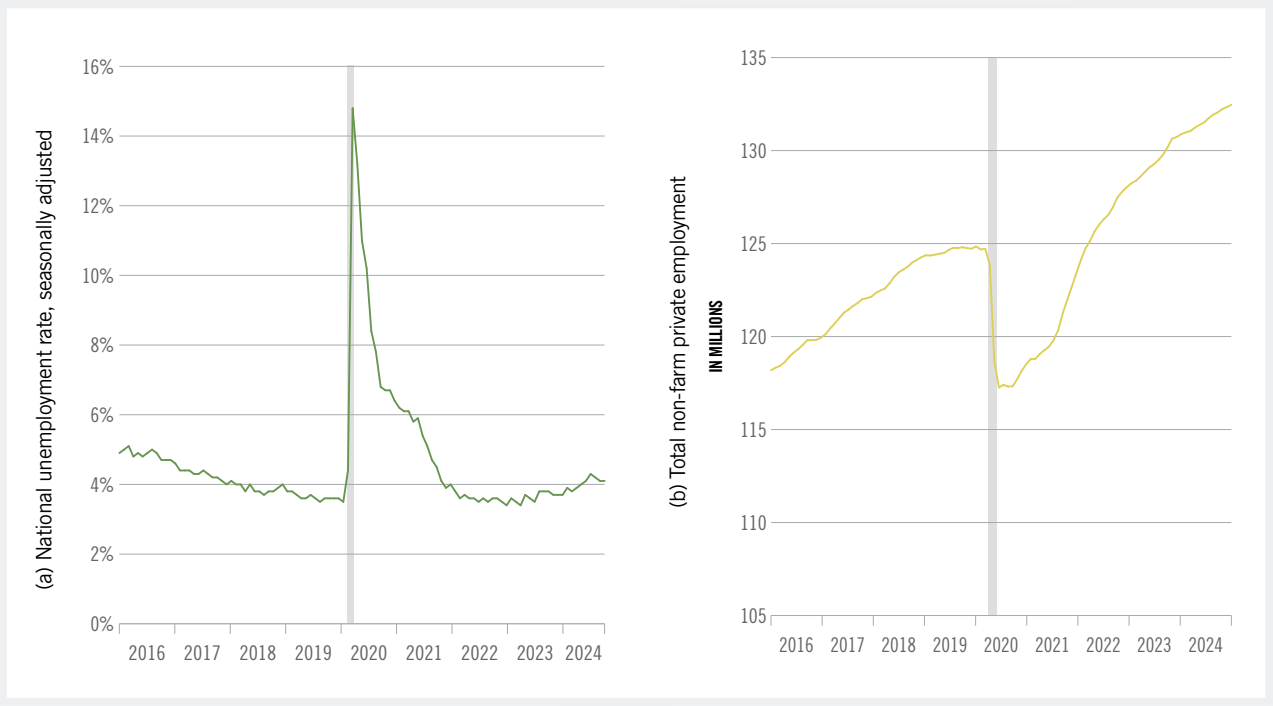
Throughout this period, the labor market remained robust. Unemployment stayed at historically low levels, only rising above 4% in 2024 after over 2 years below that level (Figure 4a). This uptick signaled to the Fed that it could ease its contractionary monetary policy. Despite the slight increase in the unemployment rate in 2024, total non-farm private employment saw substantial growth, adding an average of 250,000 jobs per month (Figure 4b). Key sectors driving this growth included technology, renewable energy, healthcare, and logistics. For entrepreneurs, the tight labor market posed challenges in attracting and retaining skilled workers. These trends made it clear that the Fed had successfully managed a soft landing, reducing inflation without triggering a recession. The U.S. economy exceeded expectations, once again demonstrating its resilience and strength.

Despite these positive developments, public sentiment remained more pessimistic than before the COVID-19 pandemic. Consumer confidence, as measured by the University of Michigan Consumer Sentiment Index, stayed lower than pre-pandemic levels (Figure 5a). Concerns about inflation and the future of the economy contributed to this pessimism. One key factor was the decline in real median wages during 2021–2022 (Figure 5b). However, the Consumer Sentiment Index began trending upward in 2023 and 2024, reflecting a modest increase in real median wages over the same period. Still, real median wages did not return to pre-pandemic levels until the last quarter of 2024.

The stock market exhibited remarkable performance in 2024, with the S&P 500, Dow Jones Industrial Average, and NASDAQ Composite Index increasing by 31%, 25%, and 36%, respectively. Investor confidence and technological advancements played key roles in driving these gains.

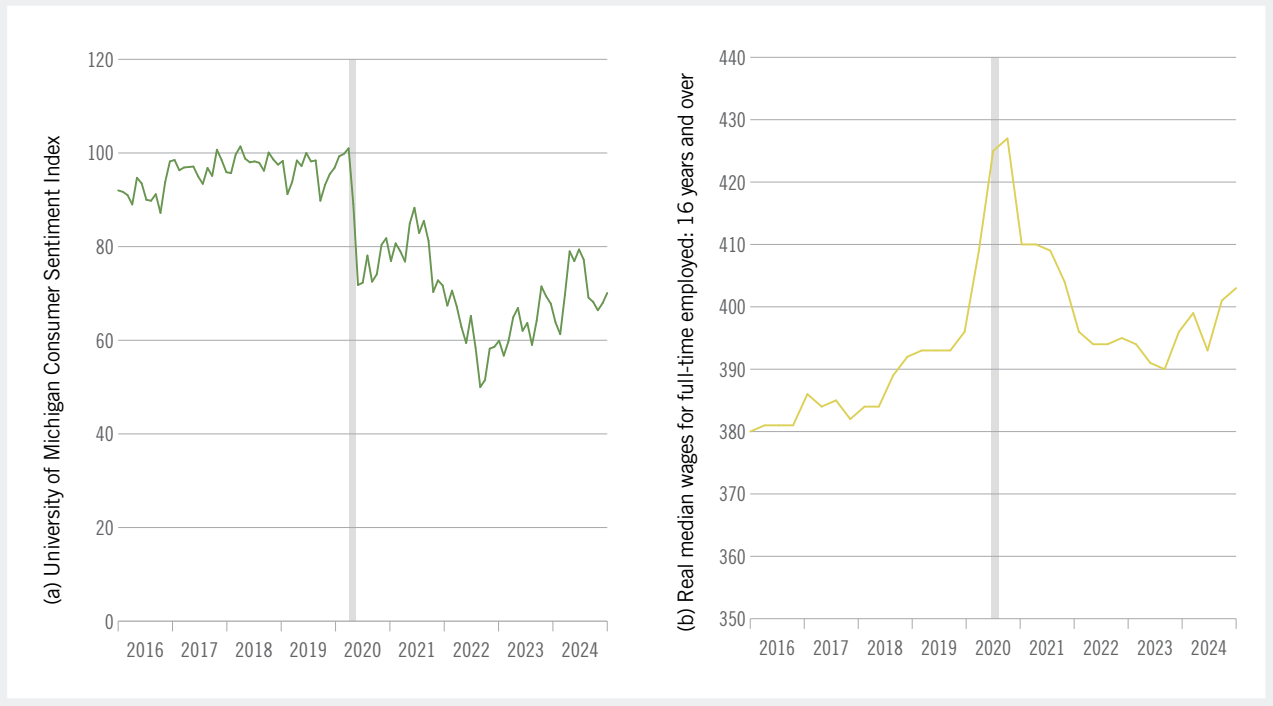
Overall, the U.S. economy during the 2023–2024 period demonstrated resilience and adaptability, bolstered by strong consumer spending, a robust labor market, and favorable adjustments in monetary policy. However, inflation and higher than usual interest rates still presented challenges for entrepreneurs.

Figure 4: National unemployment rate (a) and total non-farm private employment (b)



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, November 18, 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, November 18, 2024.
Note: The gray box shows the recession period. Each tick mark on the horizontal axis shows the beginning of the year.

Figure 5: University of Michigan Consumer Sentiment Index (a) and real median wages (b)



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, November 18, 2024; (b) U.S. Bureau of Labor Statistics, Employed full time: Median usual weekly real earnings: Wage and salary workers: 16 years and over: Men [LES1252881900Q], retrieved from FRED, Federal Reserve Bank of St. Louis, https://fred.stlouisfed.org/series/LES1252881900Q, November 18, 2024.
Note: The gray box shows the recession period. Each tick mark on the horizontal axis shows the beginning of the year.

National Expert Survey (NES) results

GEM data collection involves two primary research tools: the APS, which involves a random sample of at least 2,000 individuals in each participating economy, and the NES, which includes at least 36 national experts who rate conditions for entrepreneurship in the economy. More detailed background on GEM can be found in the appendix to this report.

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 types of organizations with research interests in entrepreneurship. The GEM U.S. national team is based at Babson College, a co-founding institution and longtime global sponsor of GEM. In 2024, the team collected responses from more than 11,000 adults for its APS and from 41 experts for its NES.

This report focuses on results from the APS, while NES data is 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. NES data for the United States from 2022 to 2024, as shown in Table 1, highlight several notable trends and changes in conditions affecting entrepreneurship, with various underlying reasons potentially contributing to these shifts.

The availability of and access to entrepreneurial finance improved in 2024 over the previous year, possibly reflecting some stabilization after a period of economic uncertainty over the past several years. However, it is also worth noting that both measures remained below 2022 levels. Government policies showed progress over the previous year, with perceptions of government support and relevance, as well as taxes and bureaucracy, both demonstrating improvements in 2024. Government entrepreneurship programs also strengthened slightly over 2023 levels.

Entrepreneurship education continued to show strong gains. Ratings for K-12 entrepreneurial education rose by 14% over 2023, reflecting the increased integration of entrepreneurship into curricula. Post-school education ratings improved as well, both year-over-year and over the 3-year period. This may be partially driven by the popularity of entrepreneurship curricula in higher education programs. Ratings for research and development transfer, while improving slightly in the past year, show that a persistent challenge remains in translating inventions into commercial offerings from startups.

Infrastructure experienced mixed results in 2024. Commercial and professional infrastructure rebounded from the previous year, indicating recovering economic conditions, but physical infrastructure remained flat after a decline in 2023. Market dynamics, as well as burdens and regulations, worsened slightly, possibly contributing to ongoing barriers for new ventures. Meanwhile, social and cultural norms encouraging entrepreneurship saw the most improvement in 2024, with a 16% increase over 2023. This trend may in part reflect a growing societal embrace of entrepreneurship, driven by shifting cultural perceptions and the visibility of entrepreneurial
success stories.

The 2024 NES results illustrate a mix of progress and persistent challenges. Improvements in government policies, education, and cultural support are promising, while ongoing difficulties in market entry and regulatory burdens highlight areas requiring continued attention. These insights provide a roadmap for strengthening the entrepreneurship ecosystem in the United States.

Table 1: NES 2022–2024 ratings of entrepreneurial conditions

Conditions	2022	2023	2024
Entrepreneurial finance	6.0	4.9	5.4
Ease of access to entrepreneurial finance	5.0	4.2	4.7
Government policy: support and relevance	3.9	3.8	4.0
Government policy: taxes and bureaucracy	4.8	5.0	5.4
Government entrepreneurship programs	4.0	3.8	4.1
Entrepreneurship education at school	3.5	3.6	4.1
Entrepreneurship education post-school	4.7	4.8	5.1
Research and development transfers	4.1	3.9	4.0
Commercial and professional infrastructure	6.4	5.6	6.0
Ease of entry: market dynamics	5.4	4.9	4.7
Ease of entry: burdens and regulations	4.9	4.2	4.0
Physical infrastructure	7.4	6.8	6.8
Social and cultural norms	7.0	6.7	7.8

Note: Scores range from 1 to 10. Global comparisons can be found in the GEM 2024/2025 Global Report: https://gemconsortium.org/reports/latest-global-report.

The GEM 2024–2025 United States Report

In 2024, the GEM APS was conducted in 56 economies around the world. Babson College has conducted the GEM APS in the United States every year since the first survey in 1999, gathering data on rates of participation across phases of business ownership, characteristics of entrepreneurs and their businesses, and societal attitudes, affiliations, and self-perceptions about entrepreneurship.

The GEM 2024–2025 United States National Report provides a comprehensive overview of the results from the 2024 APS survey. Comparisons on key indicators are made with previous years' results in the United States and with 31 other economies classified as high-income economies (with more than $50,000 GDP per capita) by the World Bank.[1] The report also offers some new features, including an examination of entrepreneurship and established business ownership (EBO) rates by education, household income, and veteran/military status, as well as results on informal investments in entrepreneurs. Also new in this report are chapters comparing four regions of the United States and covering findings on the special topic of the use of digital technologies and artificial intelligence (AI).

The report is presented as follows. Chapter 1 reviews participation rates across business phases and demographics of entrepreneurs and established business owners. This is followed by a four-region analysis in Chapter 2. Chapter 3 delves into the impact of entrepreneurs, with indicators on industry, employment levels and projections, market scope, and innovation. Chapter 4 examines the use of digital technologies and AI by entrepreneurs and established business owners. A societal-level look at attitudes, affiliations, and self-perceptions around entrepreneurship is then presented in Chapter 5, which also includes findings on informal investments in entrepreneurs. Chapters 6 and 7 provide a detailed view of gender and race/ethnicity characteristics, respectively. Finally, social and environmental sustainability are covered in Chapter 8.

[1] World Bank, "The World by Income and Region," https://datatopics.worldbank.org/world-development-indicators/the-world-by-income-and-region.html

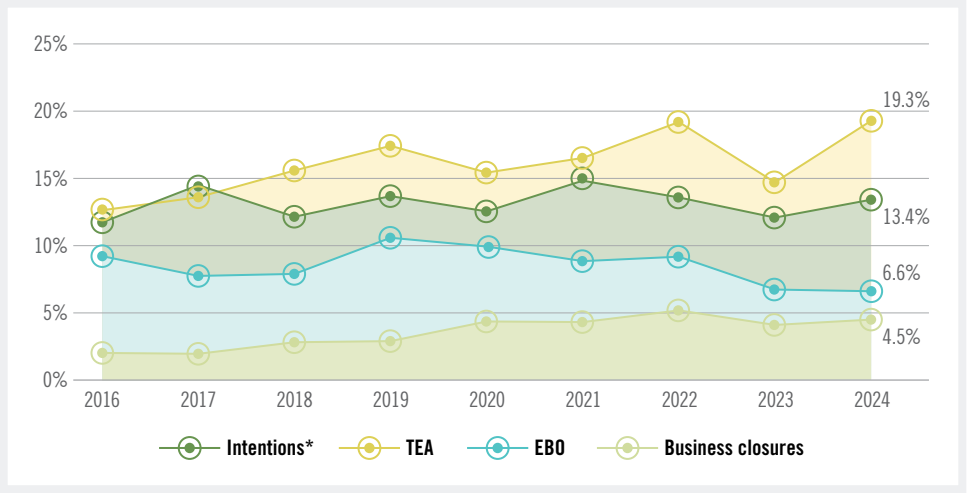
RATES OF PARTICIPATION ACROSS BUSINESS PHASES: More Starting But Fewer Lasting

01

Aahan Karnavat—Founder, FarmingUp

Aahan Karnavat turned his passion for sustainability into action by founding FarmingUp, a venture driven by a vision to make fresh, sustainable produce accessible while promoting environmental responsibility. FarmingUp's mission is simple: to connect consumers with the finest produce from a network of trusted local farms, all cultivated through cutting-edge, organic farming techniques.

Figure 6: Phases of business activity in the adult population of the United States, 2016–2024 (percentage of population aged 18–64)



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024
Note: *among non-entrepreneurs

Participation in Business Phases

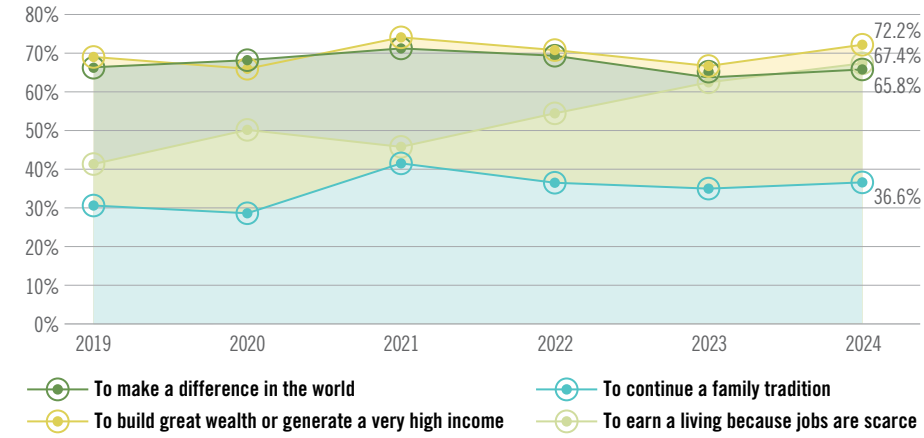
After exhibiting a drop in 2023, total entrepreneurial activity (TEA) rose in 2024, reaching the level reported 2 years earlier, the highest level reported since GEM's first survey in 1999. Over the 9-year period shown in Figure 6, entrepreneurial intentions were relatively stable, fluctuating from nearly 12% to just under 15%, without showing much of a trend in either direction over that time frame. TEA, on the other hand, followed an upward path from 2016, but fell in 2020, the first year of the pandemic lockdowns, before continuing on an upward trajectory for the next 2 years. The drop in 2023 might reflect the decline in entrepreneurial intentions that started the previous year, but the rebound in 2024 put this indicator back on track.

Conversely, EBO continued its general downward trend since 2020, opening up a large gap between those starting a business and those running a mature one. This, coupled with the higher level of business closures since 2020, could suggest that more established business owners are closing their businesses and fewer have progressed to the mature phase, even though TEA had increased in previous years.

However, GEM does not identify the ages of the businesses that closed so it could also be the case that some closures simply represent startup efforts that did not work out. It would logically be expected that high entrepreneurship rates need to be accompanied by the realization that it is better to try something with the risk it may not work than be too cautious and not give entrepreneurship a chance. Also, it could be argued that businesses that are not working out, for whatever reason, should be closed. However, this can also have downsides such as job losses and discontinued products or services in the market. Nonetheless, it is important to acknowledge the trend of lower EBO rates running counter to expectations given increasing entrepreneurship rates.

Further examination of the reasons for business closure reveal that 32% of those closing businesses in the past year cited unprofitability or problems obtaining financing, suggesting that nearly one third of closures resulted from entrepreneurs being pushed out because of negative business circumstances. Meanwhile, 15% pursued another job and 7.3% became involved in another business, indicating that starting a particular business might represent only one aspect of an individual's career and that there remain opportunities to move onto something that, hopefully, is more promising.

Figure 7: Motives for starting a business among entrepreneurs in the United States, 2019–2024



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024

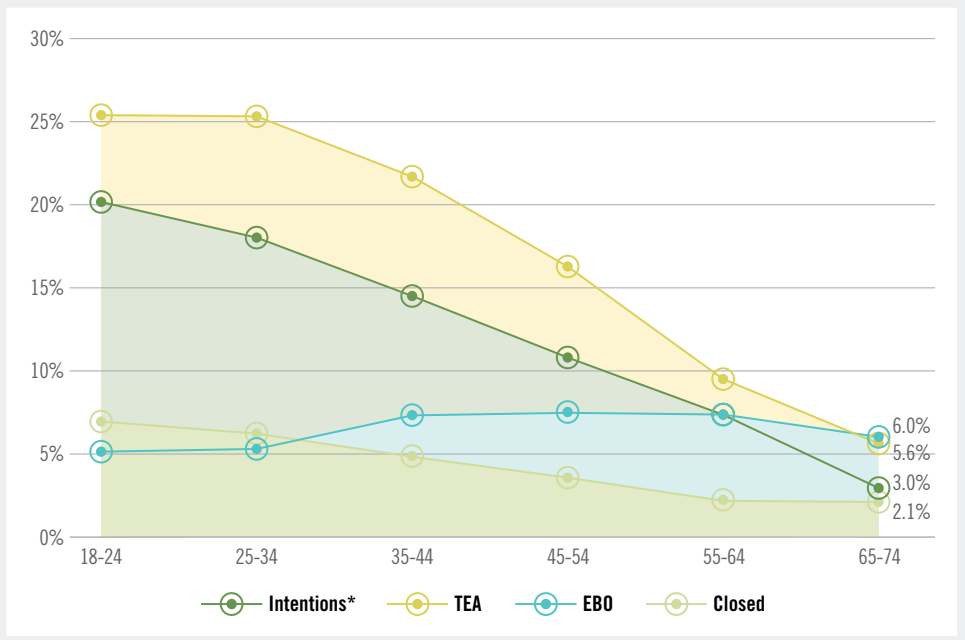
Startup Motives

Wealth creation has consistently been a high motivator for entrepreneurs, as well as making a difference, as shown in Figure 7. Making a difference could, to some entrepreneurs, simply mean making an impact by doing something big—consistent with making big profits. But as making a difference can also be tied to sustainable business activity, these two motives could, at first glance, be considered contradictory—after all, can an entrepreneur make a social or environmental difference while also pursuing high profits? At the same time, this may reflect the growing reality that economic value is created by improving people's lives and the environment around them. In addition, it may tell us something about the evolving ambitions of entrepreneurs and how they see their roles in and responsibilities for bringing change to the world. More on this topic of sustainability in entrepreneurship is covered in Chapter 8.

It has long been recognized that family involvement in entrepreneurship is a strong motivator for people starting businesses. Family members can be considered not only role models but also supporters of an endeavor. Entrepreneurs may have experienced working in a family business, which can lead to ideas for their own efforts, as well as familiarity and less uncertainty about requirements and processes. In the second year of the pandemic, 2021, family influence jumped by nearly one half over the previous year. This indicator eased back after that but, nonetheless, maintained a high level over pre-pandemic rates, perhaps suggesting a persistent trend and signaling the importance of family in entrepreneurial ambitions.

The most notable pattern revealed in Figure 7, however, is the increase in the job scarcity motive since 2022. This is perplexing, given that unemployment rates have been low since early 2022 and similar to pre-pandemic levels in 2019. However, from 2019 to 2024, the percentage of entrepreneurs citing job scarcity increased by just over two thirds. It may be the case that the jobs that were available or attractive to people changed after the height of the pandemic, or that people changed in their expectations about jobs they were willing and able to do. But it is nonetheless notable that entrepreneurs are still motivated to earn a high income, so it may be the case that starting a business is becoming a more compelling opportunity for earning a living, compared to working as an employee, and not just as a means to pursue a dream.

Figure 8: Breakdown of TEA by age group in the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024
Note: *among non-entrepreneurs

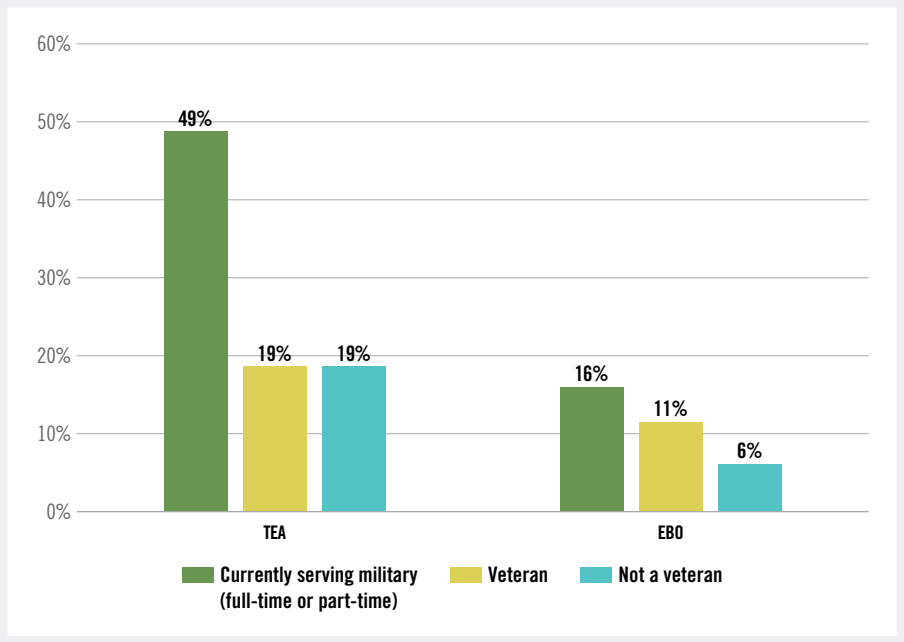
Age Profile

Starting with GEM's first survey in 1999, the highest entrepreneurship rates were consistently reported among either or both the 25–34 and 35–44 age groups. GEM researchers reasoned that these age groups had some experience, networks, and other resources they could leverage for entrepreneurship, and they were early enough in their careers to be able to return to the workforce if their plans did not work out. The youngest, age group, 18–24, also had advantages associated with their energy and ideas, and having less to risk at the start of their careers; however, many would be in college or working to gain experience and earn money.

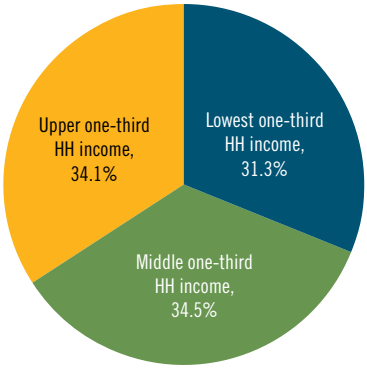
Strikingly, however, there appeared to be a shift in the youngest age group in 2023, which continued in 2024. As Figure 8 illustrates, the 18–24 age group reported among the highest entrepreneurship rates in 2024, equal to that of 25–34 age group. Moreover, this youngest age group reported the highest level of entrepreneurial intentions, suggesting that this trend will continue. Business closure rates were also comparatively high for this age group, which could be due to people being willing to try their hand at entrepreneurship while accepting that some of their efforts will not work out. It may also reveal that this age group is experimenting, abandoning ideas that are not working and, hopefully, learning from experiences, which could benefit later efforts. Alternatively, it could reveal a need for support for this age group.

EBO was higher among older age groups, which makes sense as these businesses would have been startups in their younger years. However, it may be speculated that the younger age groups, who are starting and stopping businesses at the highest rates, might gain experience and other resources that lead to business that can be sustained into maturity.

Figure 9: TEA and EBO rates by military and veteran status in the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024



Entrepreneurship was fairly evenly distributed across income groups.

Income and Education Characteristics

An examination of socioeconomic characteristics suggests that starting a business is accessible across different income and education levels. Entrepreneurship was fairly evenly distributed across income groups, with slightly fewer entrepreneurs in the lowest income category. With regard to education levels, having a college degree did not seem to make much difference in 2024: 18% of those with a college degree were starting or running new businesses vs 17% of those without a degree.

Military/Veteran Status

The GEM U.S. results reveal a high level of entrepreneurship among those currently serving in the military. Nearly half of those serving part-time or full-time were in the process of starting or running a new business (Figure 9). However, veterans had an equal likelihood of being an entrepreneur as those without military or veteran status. The high rates of entrepreneurship among those in active service could reveal the flexibility that entrepreneurship affords and, perhaps, opportunities and abilities to leverage expertise and experience.

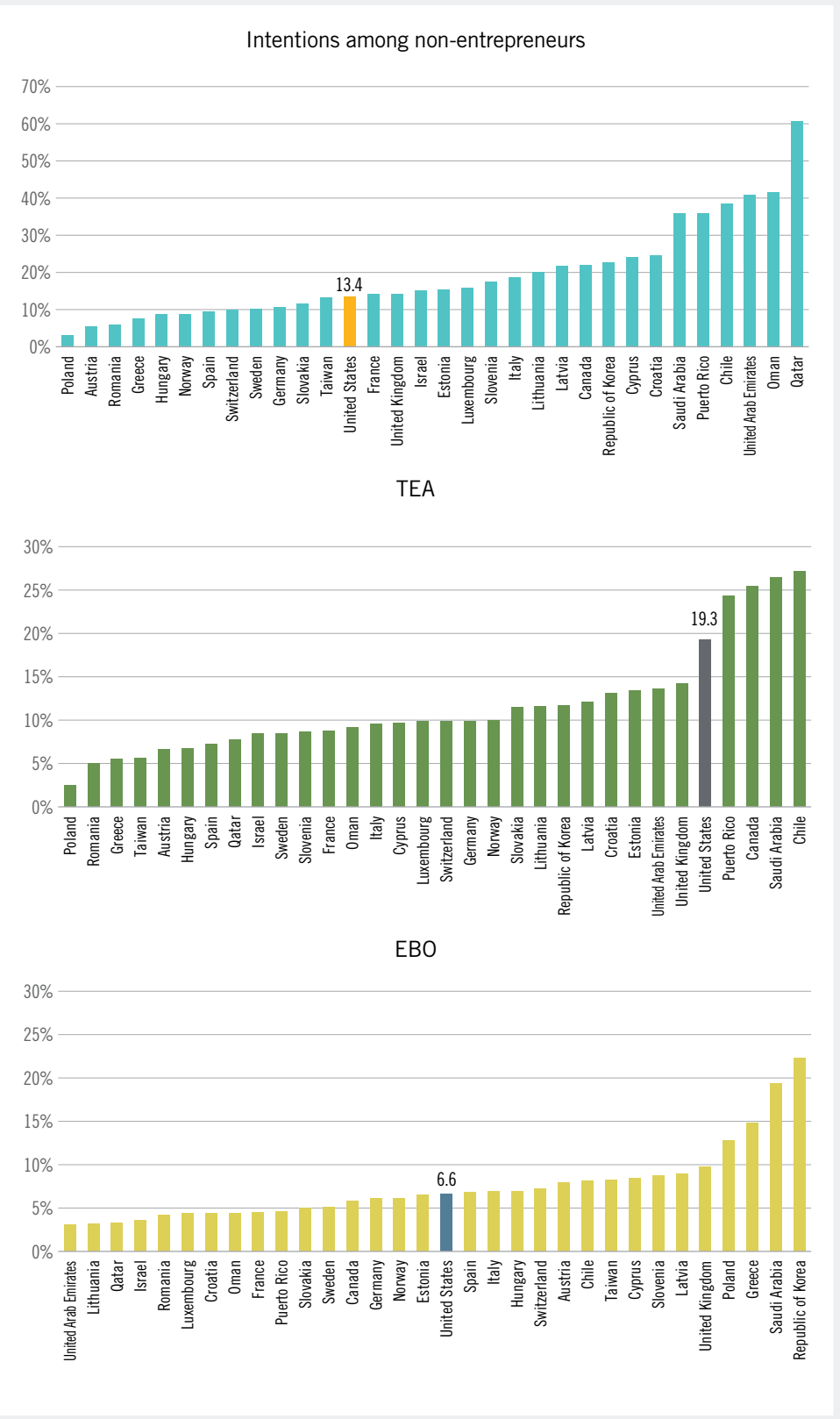
Both active-duty military personnel and veterans had higher rates of established business activity than those without a military background. Veterans were nearly twice as likely and active-duty military personnel were more than two and a half times as likely to be running mature businesses as those who have not served. This indicates the longer-term career potential of running a business for those who are serving, or have served, in the U.S. military.

Immigrants

Although there may be a perception that immigrants to the United States are particularly entrepreneurial, the results in 2024 reveal that those born outside the United States to non-U.S. citizens were not significantly more likely to be entrepreneurs than those born in the United States (20% vs 19%). The same can be said for established business owners: 6% of immigrants vs 7% of those born in the United States were running established businesses.

However, high rates of both entrepreneurship (31%) and EBO (12%) can be seen among U.S. citizens born abroad. It may be the case that their exposure to different cultures or other aspects of their international experience, or even characteristics of their parents, provide ideas and perhaps even human, social, or financial capital they can leverage.

Figure 10: Entrepreneurial intentions, TEA, and EBO rates in the adult population of 32 high-income countries, 2024 (percentage of population aged 18–64)



Source of data: Global Entrepreneurship Monitor, 2024.

Global Comparison Across Phases

The United States was among 32 economies participating in the GEM 2024 survey that were classified by the World Bank as high income. Among these economies, TEA rates for the United States were nearly two thirds higher than the overall average of 12%. While this reflects the increase reported in 2024, it is not an unusual result. The United States typically features among the highest entrepreneurship rates in the developed world (Figure 10).

Meanwhile, entrepreneurial intentions in the United States were lower than the high-income average, by nearly one third. While lower intentions may cause concern about the supply of future entrepreneurs, it has generally been the case in the United States that intentions are lower than TEA and the result for 2024 is not atypical. In fact, the ratio of entrepreneurial intentions to TEA for the United States was the lowest of the 32 economies—for every 10 entrepreneurs there were just 7 intending to become an entrepreneur in the next 3 years. It may be the case that prospective entrepreneurs are likely to just launch their businesses, spending less time thinking about doing so.

Perhaps more concerning, however, is the low EBO rate, with the United States located in the middle of the high-income group. This reflects, to at least some extent, the decline in this indicator since the height of the pandemic. Despite the allure of being an entrepreneur in the United States, it may be the case that running a mature business is losing its luster—it is perhaps more difficult or less promising than expected, or business owners are attracted by other opportunities.

Summary

In 2024, established business activity remained low and closures stayed high, continuing along paths that started with the first year of the pandemic, 2020. However, positive signs for the future may be revealed in rates of TEA and intentions returning to their previous all-time high in 2024. Nonetheless, with profitability and finance cited as problems for nearly one third of those closing a business in the past year, and the continued increase in necessity motives, the viability of business startups may be an issue for further examination. The trend toward younger entrepreneurs reported in 2023 continued in 2024. Additional demographic results show equal participation across income and education levels. Active-duty military personnel were highly involved in both entrepreneurship and established business phases, as was also the case for U.S. citizens born abroad.

Captain David Featherston—Founder, In-Command Seamanship Training

Captain David Featherston has been on the water since the age of seven, including his time as a navy officer. In 2007, he purchased Wickford Boat Rentals and revamped its business model with high-quality boats and a stronger marketing strategy. In 2016, he launched In-Command Seamanship Training to enhance waterway safety and attract new customers while reducing liability. Today, Wickford Boat Rentals and In-Command Seamanship Training operate together, offering premium boat rentals and charters alongside recreational and professional training for boaters of all experience levels.

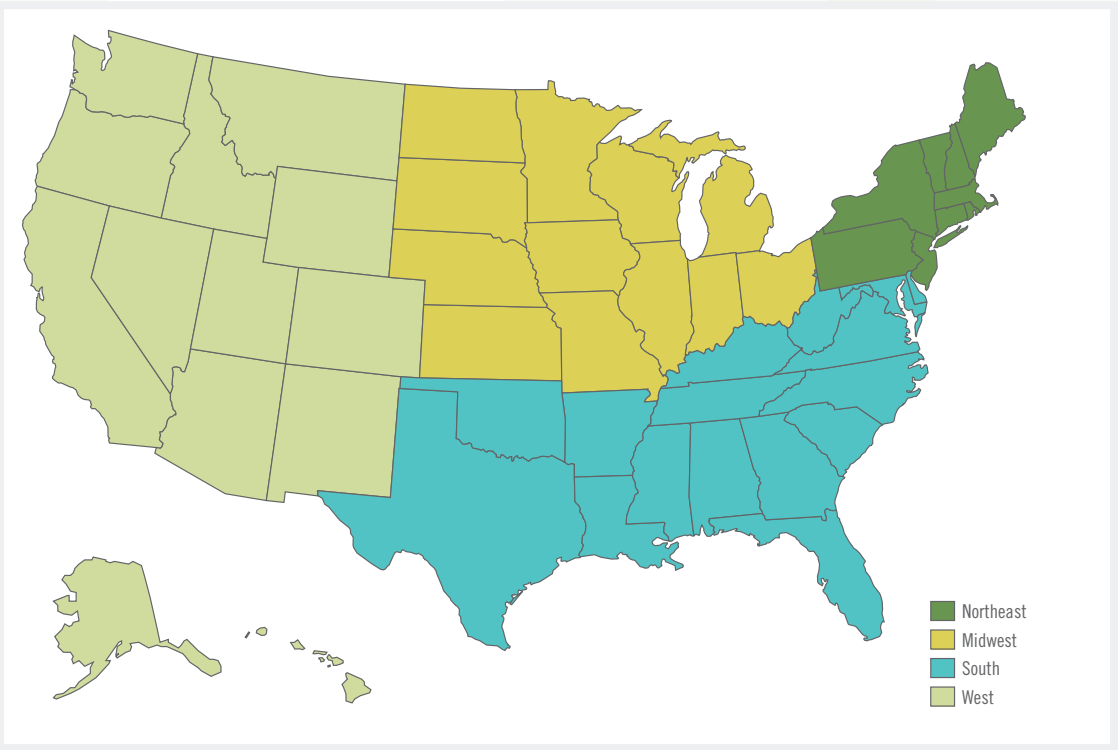
REGIONAL ANALYSIS: Entrepreneurial Leadership in the South and the West

02

Jolie Wyatt—Founder, If The Shoe Fits

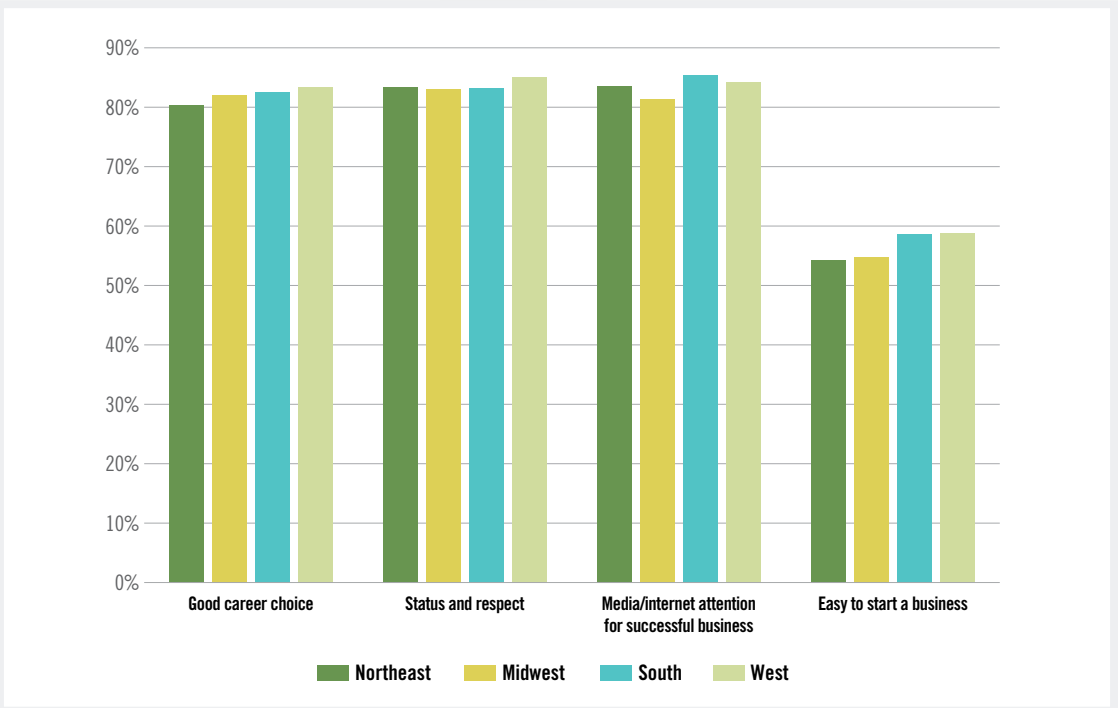
If The Shoe Fits was born out of Jolie Wyatt's struggle to find shoes that matched her unique size and style. Using computer-aided design and computer-aided manufacturing technology, the company designs custom-fit shoes tailored to each woman's foot structure, making style and comfort accessible to all. However, If The Shoe Fits is about more than just footwear—it is also about fostering inclusivity, embracing individuality, and empowering women to walk confidently through life, one step at a time.

Figure 11: States located in the four regions of the United States



Source of data: Global Entrepreneurship Monitor, United States, 2024

Figure 12: Societal attitudes toward entrepreneurship in the adult population of the four regions of the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.
Note: Estimated margin of error for all measures: +/-2.5%.

Societal Attitudes Across Regions

The GEM U.S. team's ability to gather significantly more data in 2024 affords the opportunity to explore differences across four U.S. Census Bureau's regions, as defined in Figure 11. However, inferences should be tempered by the margins of error for each variable.

The regional analysis of societal attitudes toward entrepreneurship reveals only slight differences across the United States. In terms of viewing entrepreneurship as a good career choice, the West and the South are slightly ahead, followed closely by the Midwest, with the Northeast marginally lower (Figure 12). These slight differences might be influenced by regional economic activities that provide fertile ground for entrepreneurship: for example, the West's tech-driven markets and the South's growing service sectors and perceptions of more startup-friendly policies.

In terms of status and respect for entrepreneurs, the West's high score highlights the region's strong cultural affinity for innovation and risk-taking, which are highly esteemed traits in entrepreneurship circles. The other three regions had scores within the margin of error and only a shade below that of the West. Any real differences between the regions may be due to their diversified career landscape, ranging from academia to finance to agriculture, which may reflect a more conventional interpretation of career success.

Attitudes regarding media attention for successful entrepreneurs showed the highest levels in the South, which may be attributed to the dynamic business climate and an aggressive push toward digital marketing strategies from businesses in this region. The West and the Northeast followed closely behind, benefiting from the concentration of media headquarters and channels that actively spotlight business innovations and successes in these regions.

Perceptions about the ease of starting a business were most favorable in the West and the South. These regions may benefit from more supportive entrepreneurship policies and a more favorable regulatory environment compared to the Northeast and the Midwest, where potential entrepreneurs might face more stringent barriers to entry.

Self-perceptions Across Regions

Regarding opportunity perceptions, the West and the South demonstrated high levels of optimism. These regions likely benefit from recent economic developments and investments in technology and infrastructure, which enhance perceptions of available business opportunities. The Northeast was only slightly behind, potentially due to this region continuing to be one of the country's centers for innovation and entrepreneurial activity. The Midwest, known for more traditional industries (e.g., manufacturing and agriculture), exhibited the lowest levels of optimism (Figure 13).

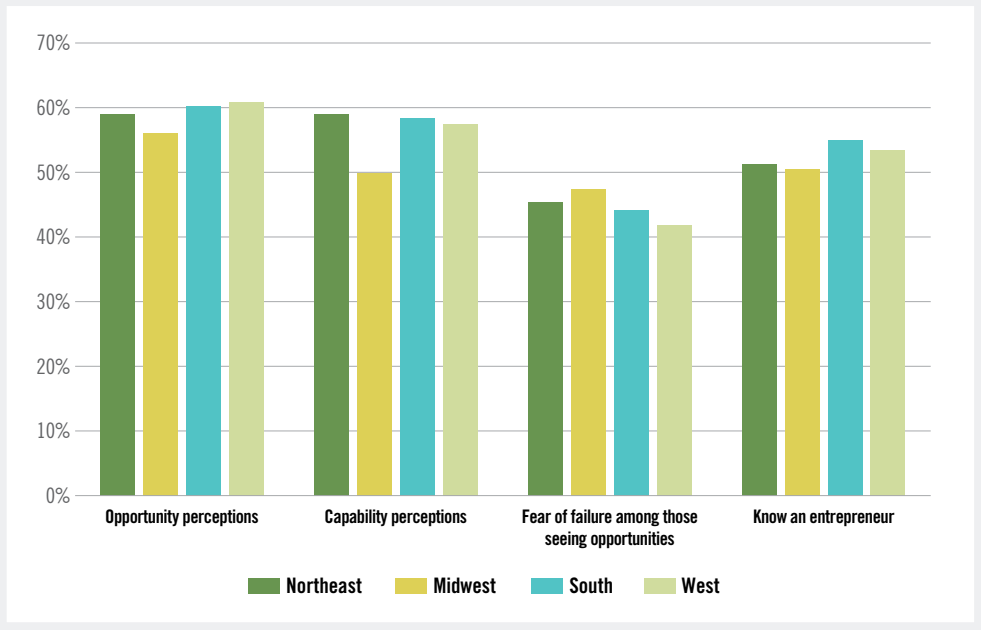
Capability perceptions reflect a confident entrepreneurial spirit in the Northeast, the South, and the West, all within the margin of error of each other, supported by strong educational institutions and active business development programs. In contrast, the Midwest trailed with only half of respondents believing they have the requisite capabilities for starting a business. This could indicate a potential need for enhanced entrepreneurship training focused on building the knowledge, skills, and abilities to launch a business.

Fear of failure exhibited regional variations, being lowest in the West—a region known for a cultural acceptance of failure as part of the entrepreneurship process. The Midwest showed the highest levels of fear of failure; this is a region where traditional industries might impose a more conservative approach to business risk. And, finally, respondents were most likely to know an entrepreneur in the South and least likely in the Midwest. Business networking within the regional culture of the South may benefit from more openness and foster greater personal connections with entrepreneurs, thereby enhancing entrepreneurial intentions and activities.

Business Phases Across Regions

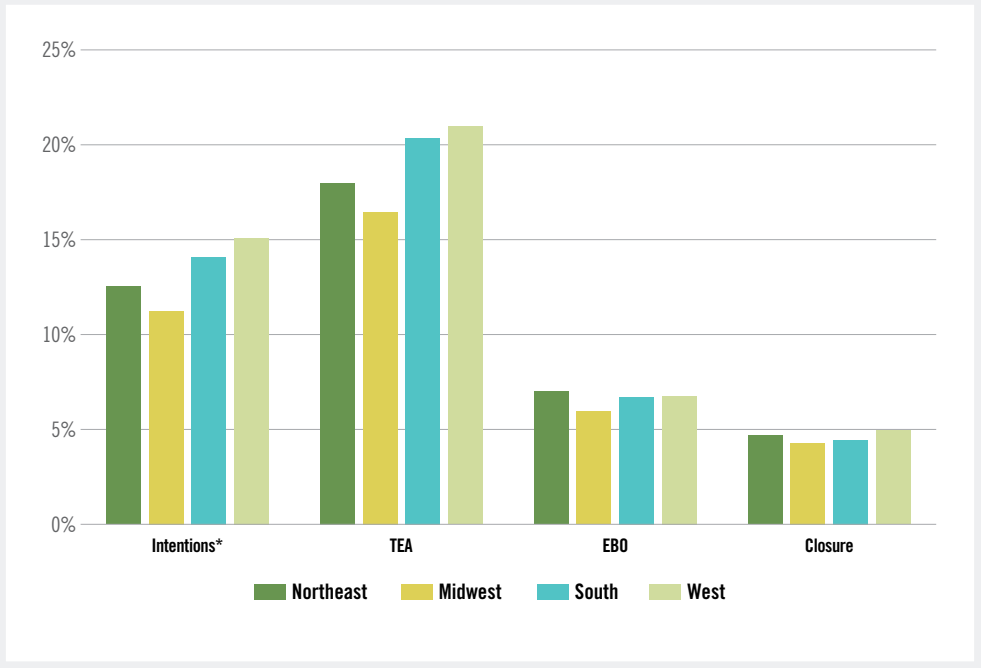
Both intentions to start a business and TEA rates were highest in the West and the South, with the Northeast slightly behind (Figure 14). This vibrancy could be linked to regional economic policies that actively promote startup cultures and support small business ecosystems. Closure rates were within the margin of error across all regions. This might reflect the United States' dynamic market conditions, in which higher business turnover can be indicative of a competitive, yet flourishing, business landscape.

Figure 13: Self-perceptions toward entrepreneurship and affiliations with entrepreneurs in the adult population of the four regions of the United States, 2024



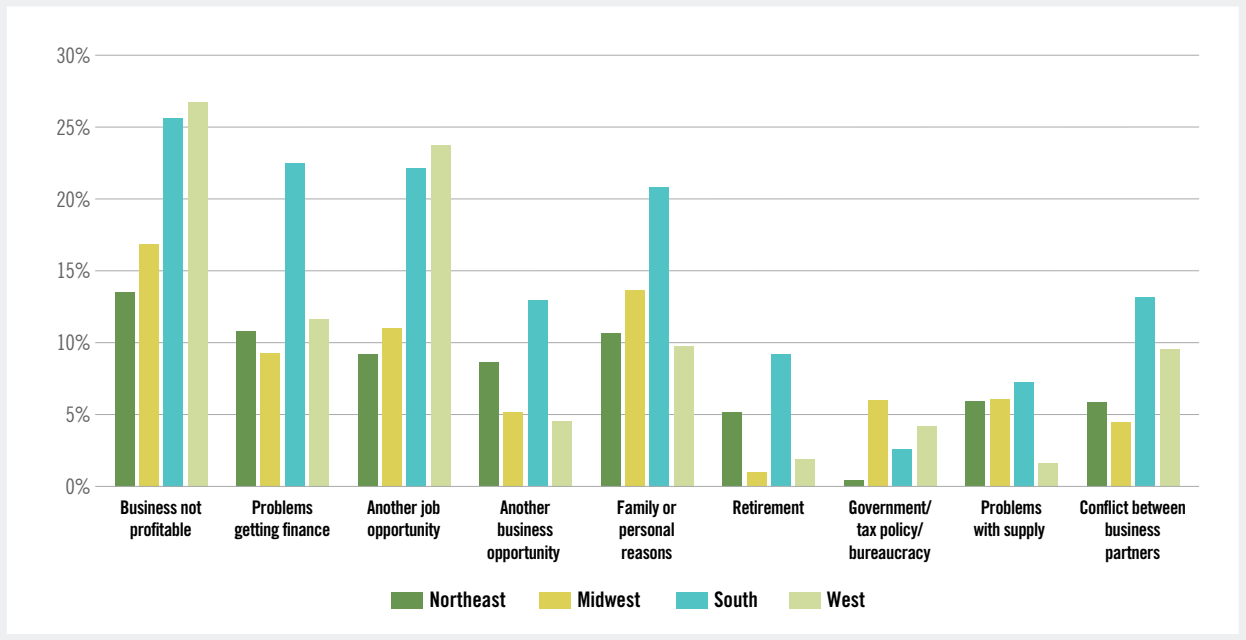
Source of data: Global Entrepreneurship Monitor, United States, 2024.
Note: Estimated margin of error for all measures: +/-2.5%.

Figure 14: Phases of business activity in the adult population of the four regions of the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.
Note: *among non-entrepreneurs
Estimated margin of error for all measures: +/- 1% to 2.5%.

Figure 15: Reasons for business closures in the four regions of the United States, 2024



Source: Global Entrepreneurship Monitor, United States, 2024.
Note: Respondents were allowed to select multiple reasons for closure.

Reasons for Business Closures Across Regions

The analysis of the reasons for business closures across the different regions of the United States suggests diverse economic and socio-cultural dynamics influencing entrepreneurial activities. The data reveal notable regional variations in terms of why people close businesses, which may reflect the unique economic conditions and regulatory environments across the regions.

In all four regions, the leading cause of business closures was linked to profitability issues (Figure 15). In the Northeast, the region's high cost of living and operating, combined with competitive market conditions, might contribute to these challenges. In the Midwest, these factors might be influenced by the region's traditional manufacturing base and the economic transformation it has undergone, whereby changing industries may lead to new job opportunities or force closures of unprofitable ventures. Government and tax policies also appear to have a more pronounced impact in the Midwest compared to other regions. This could possibly be due to varied state-level regulations and older age demographics.

In the South, problems getting finance and pursuing other job opportunities were given as reasons for closures by over one in five respondents, suggesting a dynamic labor market and possibly less stable financial support for small businesses. The relatively high percentage of respondents in the South reporting closures due to another business opportunity, family or personal reasons, or retirement could be indicative of not only a robust entrepreneurial spirit but also the challenges of sustaining long-term business operations in a region with wide economic disparities and diverse demographic characteristics. Reports that conflict among business partners was the reason for closures were also comparatively high in the South.

Relative to the other regions, the West reported the highest rates of closures due to the business not being profitable and pursuing another job opportunity, which could be influenced by the high-stakes, highly competitive nature of sectors like technology and innovation, predominant in this region. Reports that closures were due to pursuit of other business opportunities and problems with supply were relatively low, which might reflect the region's mature supply-chain infrastructure and diversified economic opportunities that keep businesses running or pivoting more effectively.

Summary

This regional analysis underscores the diverse economic landscapes and cultural attitudes toward entrepreneurship across the United States. Each region presents unique challenges and opportunities, influenced by historical economic development, cultural factors, and policy environments. Understanding these differences is crucial for policymakers, business leaders, and educators to tailor approaches that foster entrepreneurial growth and sustainability to regional strengths and needs.

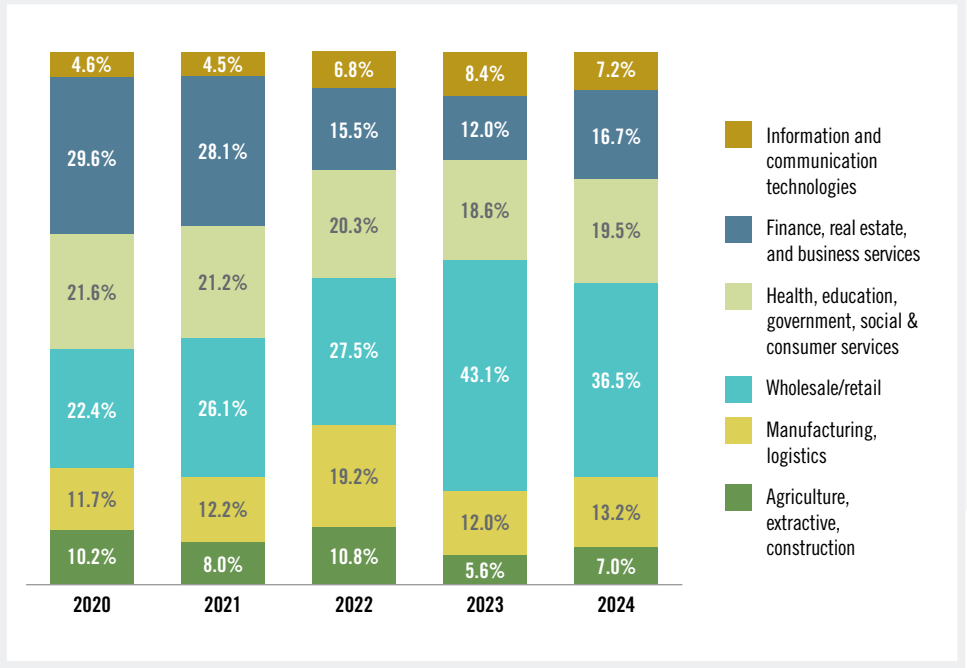
ENTREPRENEURSHIP IMPACT: Innovative, Global, and Growth-Oriented

03

Will Biondo—Founder, Arkyve

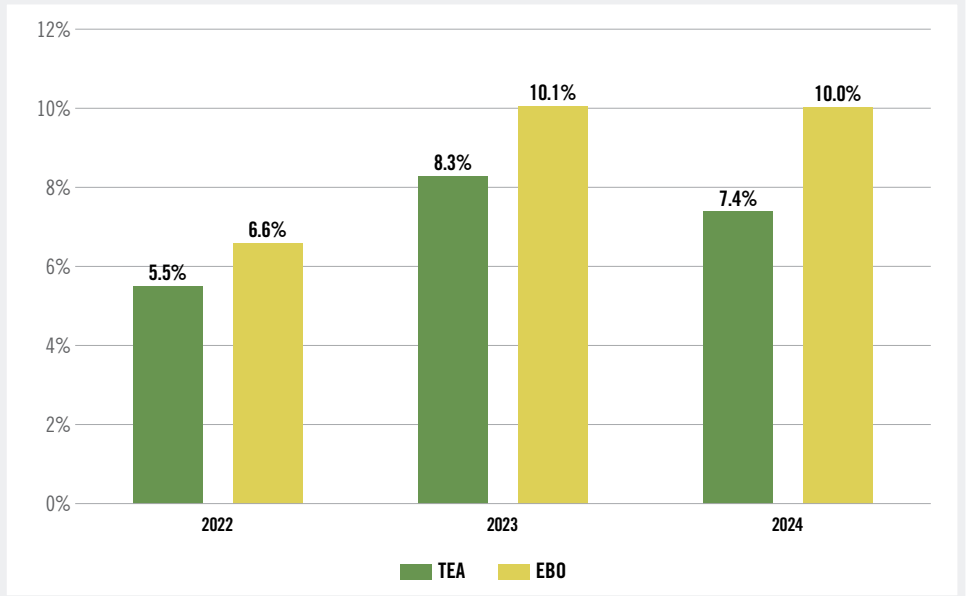
Will Biondo spent several years searching for a breakthrough product, but it was not until he started selling colorful crochet hats last year that he found success. While crochet may seem vintage or old-fashioned, his hats caught the eye of a popular online influencer and propelled his clothing brand, Arkyve, to higher sales and prominence.

Figure 16: Industry breakdown for TEA in the United States, 2020–2024



Source of data: Global Entrepreneurship Monitor, United States, 2020–2024.

Figure 17: Percentage of entrepreneurs and established business owners participating in medium- and high-technology sectors in the United States, 2022–2024



Source of data: Global Entrepreneurship Monitor, United States, 2022–2024.

Industry Sector Participation

Global trends, technological innovation, and shifting consumer preferences significantly influence individuals' choice of industry when pursuing entrepreneurship opportunities. Collectively, these decisions provide a snapshot of emerging opportunities, revealing the near-term trajectory of business activity and industry evolution. Tracking TEA across sectors is essential for identifying current trends and forecasting future transformations.

In the United States—a technologically advanced, high-income economy—there has been a notable shift toward knowledge-intensive and service-oriented industries over recent decades. However, the pandemic disrupted these linear growth patterns, resulting in unexpected sectoral recoveries and transformations. The robust entrepreneurial culture in the United States has driven high TEA rates in sectors such as information technology, finance, and fintech, in which innovation is paramount. Simultaneously, the retail and hospitality sectors are benefiting from consumers returning to pre-pandemic routines. In contrast, the expansion of remote work and declining urban business district activity have negatively impacted real estate, business services, and retail sectors.

Figure 16 illustrates TEA rates across U.S. industry sectors from 2020 to 2024. The wholesale/retail sector grew up to 2023 and contracted in 2024, while the finance, real estate, and business services sector declined up to 2023 and grew in 2024. Challenges such as mall closures, urban redevelopment, and reduced commercial occupancy rates in large cities have trickled down, influencing entrepreneurship interest in these areas.

The manufacturing and logistics sector and the agriculture and construction sector collectively accounted for about one fifth of entrepreneurial activity in 2024. Health, education, government, social and consumer services businesses represented another fifth of entrepreneurial activity. Information and communication technology businesses represented a relatively small proportion of entrepreneurial activity, but it is notable that participation in this sector was higher than in the pandemic years of 2020 and 2021.

Technology

Technology is both a tool and a catalyst for U.S. entrepreneurial ventures. Entrepreneurs are leveraging existing technologies while driving innovation in high- and medium-tech industries. In 2024, the percentage of businesses operating in high-tech sectors, such as pharmaceuticals, medical devices, and aerospace, as well as medium-tech sectors, like chemicals, machinery, and transportation, remained around the high level set the previous year. This level was significantly greater than in 2022: by about one third for TEA and more than one half for EBO (Figure 17).

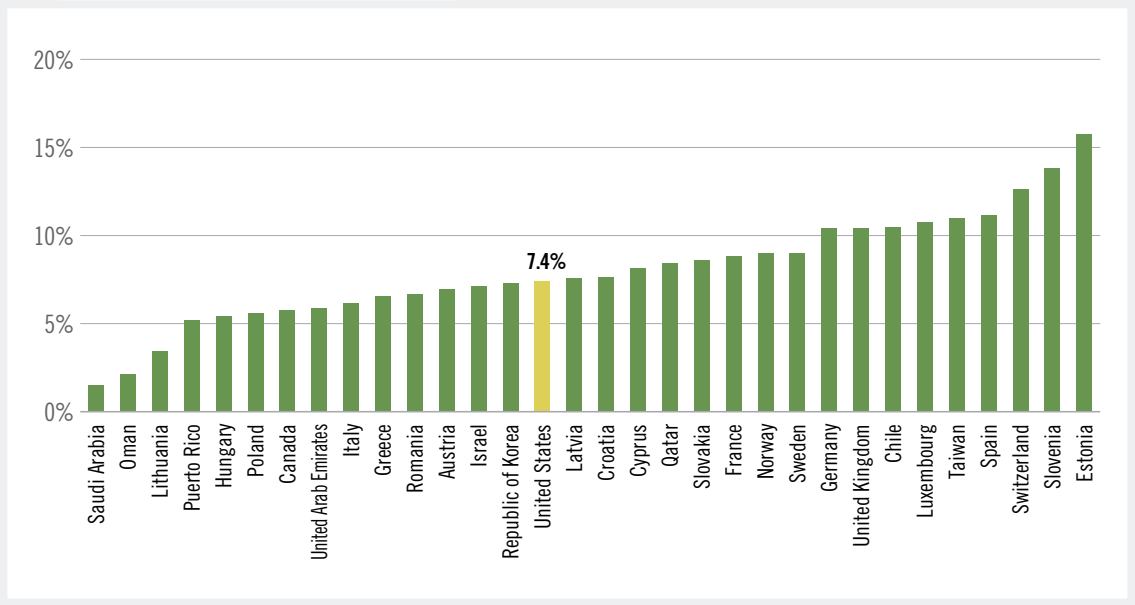
Expressed as a percentage of entrepreneurs, the United States ranks just below the average for the 32 high-income economies for participation in medium- and high-technology sectors, as Figure 18 illustrates. While the proportion of entrepreneurs entering these sectors may seem modest, this percentage represents substantial absolute numbers given the country's overall high level of entrepreneurial activity and large population. The broad growth over the 3 years shown in Figure 17 illustrates the extent to which technology has proven to be a cornerstone for U.S. startups.

From 2020 to 2023, TEA rates showed

growth in the wholesale/retail sector,

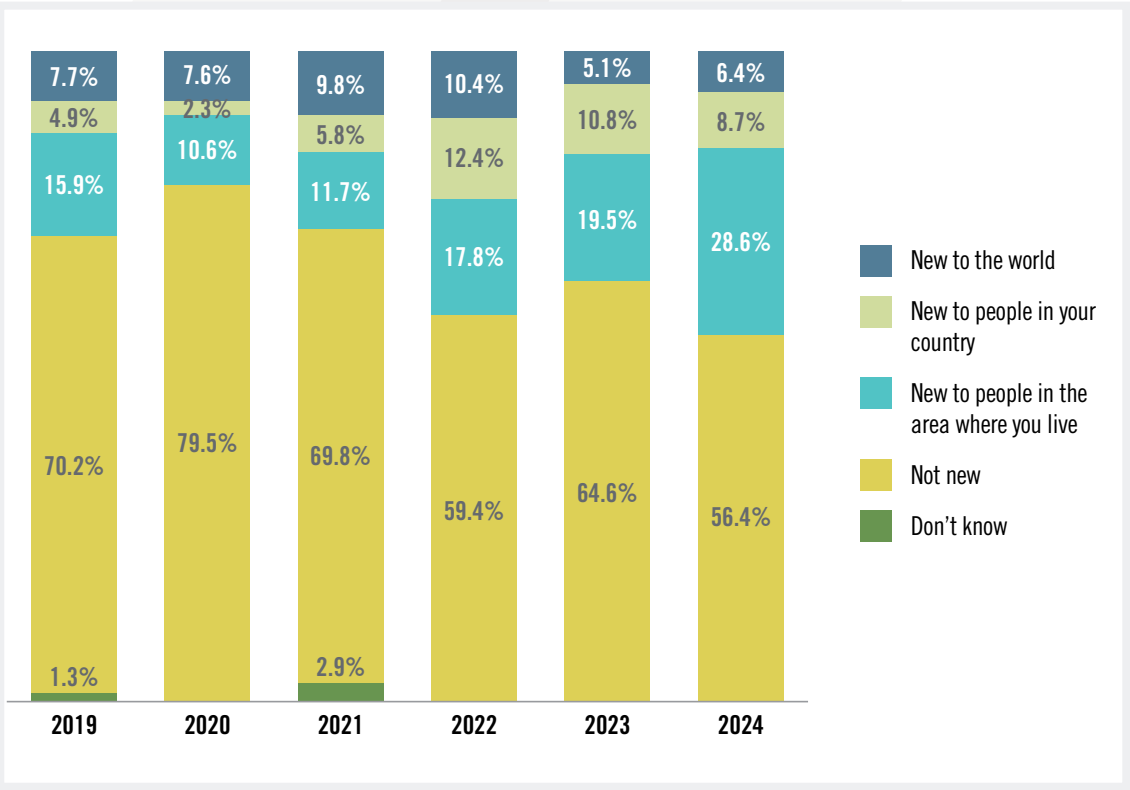
while the finance, real estate, and business services sector declined; both trends reversed in 2024.

Figure 18: Percentage of entrepreneurs participating in medium- and high-technology sectors in 32 high-income economies, 2024



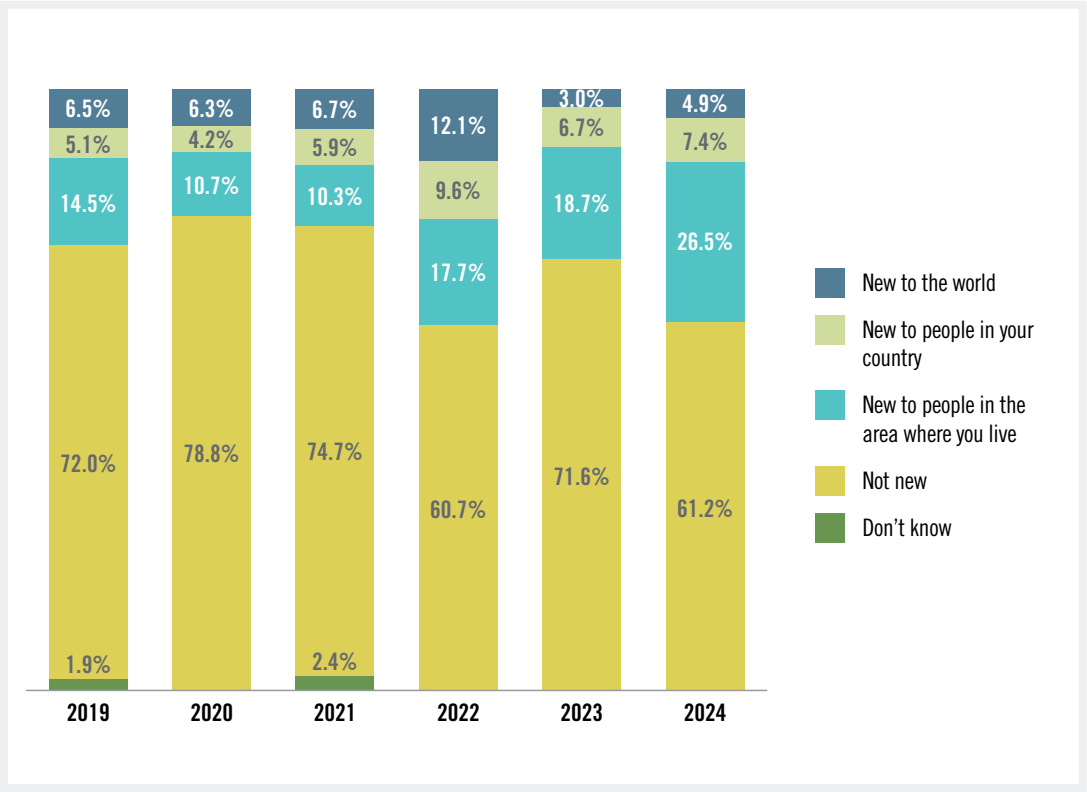
Source of data: Global Entrepreneurship Monitor, 2024.

Figure 19: Breakdown of TEA by scope of newness of the product/service to customers, 2019–2024



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Figure 20: Breakdown of TEA by scope of newness of the technologies or methods used to produce or deliver products or services, 2019–2024



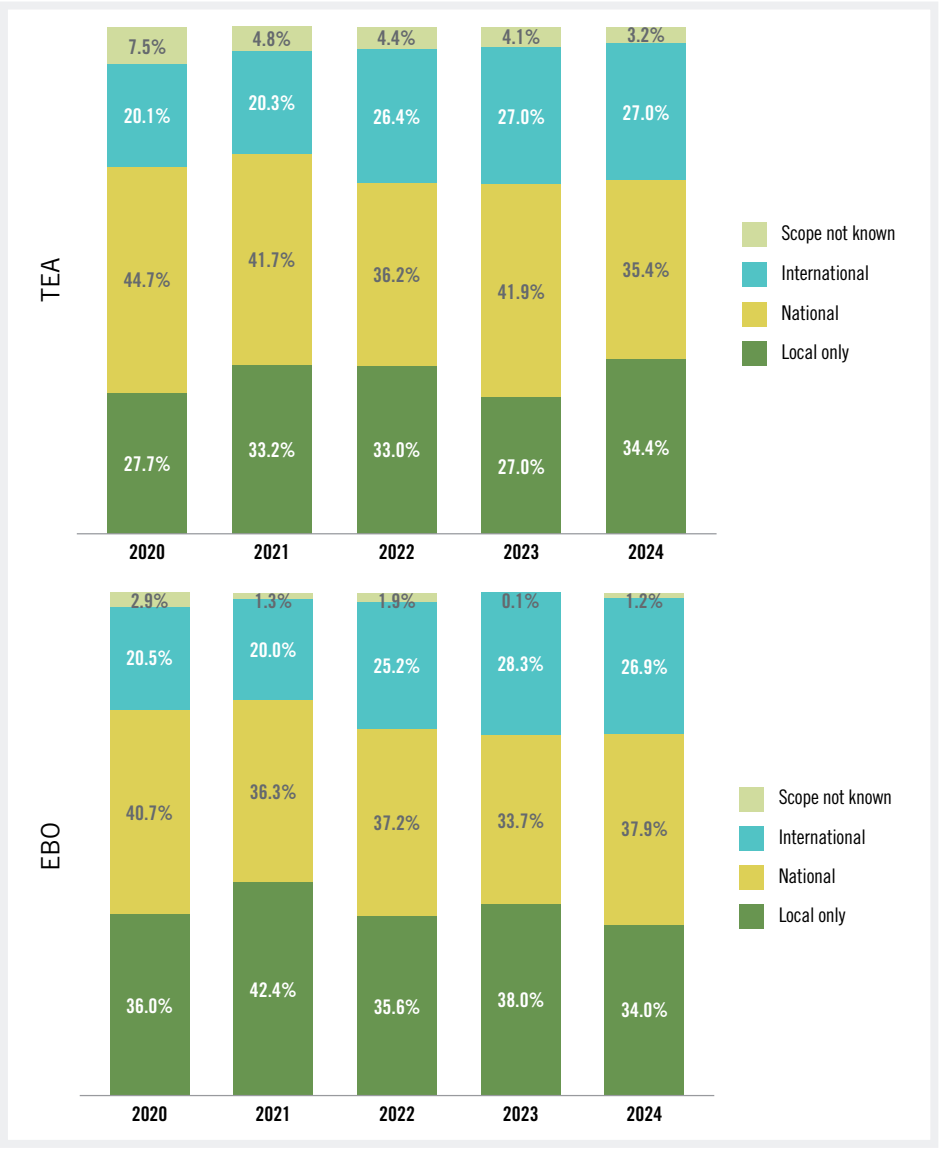
Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Innovation

Innovation transforms ideas into practical applications, and U.S. entrepreneurs are increasingly developing novel products and services. In 2024, 44% of TEA in the United States involved entrepreneurs introducing products and services that were either new in their local market, new to customers across the United States, or new to the world. This represents growth over the past several years and especially following the height of the pandemic. Whereas just over one fifth of entrepreneurs were introducing new products or services in 2020, that fraction has more than doubled in 5 years (Figure 19).

It seems clear that U.S. entrepreneurs excel at leveraging innovative technologies or procedures to create or deliver their products or services, which, in many cases, are new to the world. In every year except 2020 and 2021, at least a quarter of all U.S. entrepreneurs were using new processes (Figure 20). In 2024, nearly 40% of entrepreneurs used novel technologies or methods to develop their offerings—a significant increase from the previous year and almost equal to 2 years prior. This trend reflects a growing emphasis on leveraging cutting-edge processes to drive differentiation and to make or deliver products and services. It is interesting to note that this trend was also observed outside local markets as one in every eight U.S. entrepreneurs were using technologies and procedures that were new to the country or even the world.

Figure 21: Breakdown of TEA and EBO by geographic market scope in the United States, 2020–2024



Source of data: Global Entrepreneurship Monitor, United States, 2020–2024.

A Worldwide Market Scope

In addition to introducing innovative products and services, and deploying innovative processes, many U.S. entrepreneurs expanded their reach beyond local markets. With a population exceeding 330 million, the vast and relatively homogenous U.S. market provides entrepreneurs and established business owners advantages when scaling their businesses domestically. Operating within this unified market allows them to avoid complexities such as currency exchange, import/export regulations, and cross-border sales, thereby simplifying administrative processes and enhancing operational efficiency.

However, as illustrated in Figure 21, despite the inherent advantages of a large domestic market, only a little more than one third of entrepreneurs' sales originated within their local markets in 2024, about the same as elsewhere within the United States, while international sales contributed more than one fourth to their total revenue.

Figure 21 further reveals that established business owners exhibited similar sales distribution patterns. In 2024, local sales and national sales each accounted for more than one third of total revenue, while over one fourth of sales were international.

Job Creation and Job Growth

Growth-oriented entrepreneurs demonstrate optimism by forecasting their need for additional employees, signaling confidence in their ventures' ability to meet demand and scale effectively. In the aftermath of the acute stage of the pandemic, many individuals sought new jobs, shifted careers, or explored opportunities in different industries. This turbulence in the labor market has created ripple effects for entrepreneurs, complicating their efforts to recruit talent and expand their workforce. Consequently, job creation has become an increasingly nuanced and challenging issue to analyze and predict. Business owners now face greater difficulty in projecting staffing needs and finding qualified employees to meet those requirements.

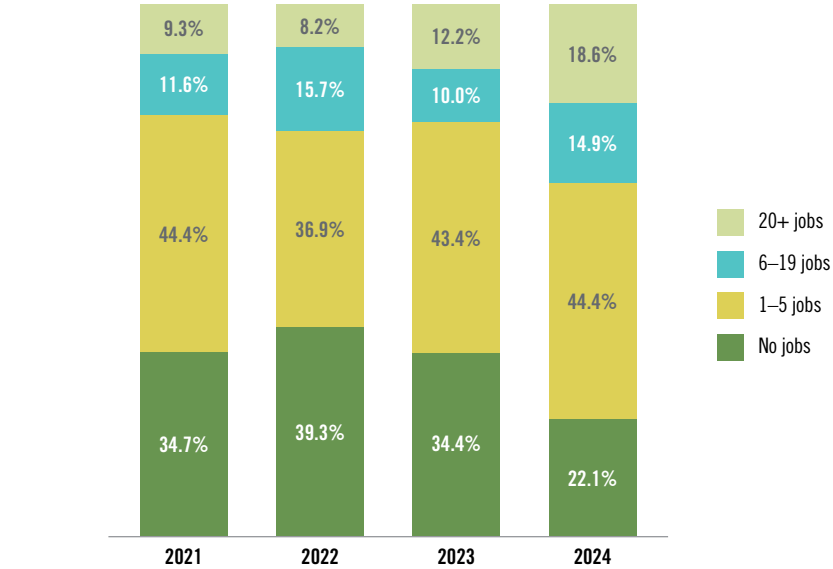
Despite these uncertainties, established business owners have shown a steady increase in employment levels, with 78% employing at least one person. Nearly one fifth had more than 20 employees in 2024, twice the percentage reported in 2021, as Figure 22 shows.

Established business owners also projected substantial job growth in the future. In 2024, nearly one fifth anticipated creating six or more jobs, up from just over one tenth in 2023. Additionally, Figure 23 shows an increase in the number of established business owners expecting to create between one and five new positions in 2024 compared to 2023. However, the data also reveal a concerning trend: approximately 10% of established business owners projected reducing their workforce or leaving vacancies unfilled, reflecting a notable spike in potential job losses.

Entrepreneurs exhibited high optimism regarding job creation. For the first time in the 7-year period shown in Figure 24, over one third of entrepreneurs anticipated adding more than six new jobs in the following 5 years. This confidence in future growth and the corresponding need to expand their workforce extends to nearly three quarters of all entrepreneurs, leaving just over one fourth expecting to add no new jobs or to reduce jobs—marking the lowest proportion in 7 years.

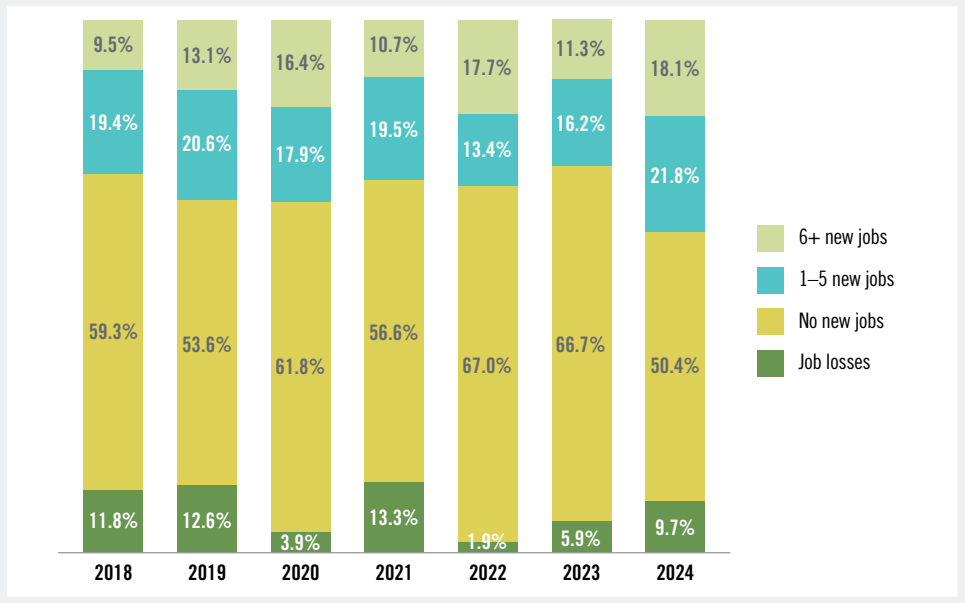
With regard to global comparisons, the United States had a high proportion of entrepreneurs who projected having a total of more than five employees over the next 5 years—one and a half times the average for the 32 high-income economies (see Figure 25 and note that this includes both current and projected employment). Combined with high TEA rates, this indicates substantial expectations for job creation in the United States. The United Arab Emirates and Saudi Arabia also combined high TEA rates with a high proportion of entrepreneurs anticipating creating five or more jobs in 5 years.

Figure 22: Established business owners: current employment levels, 2021–2024



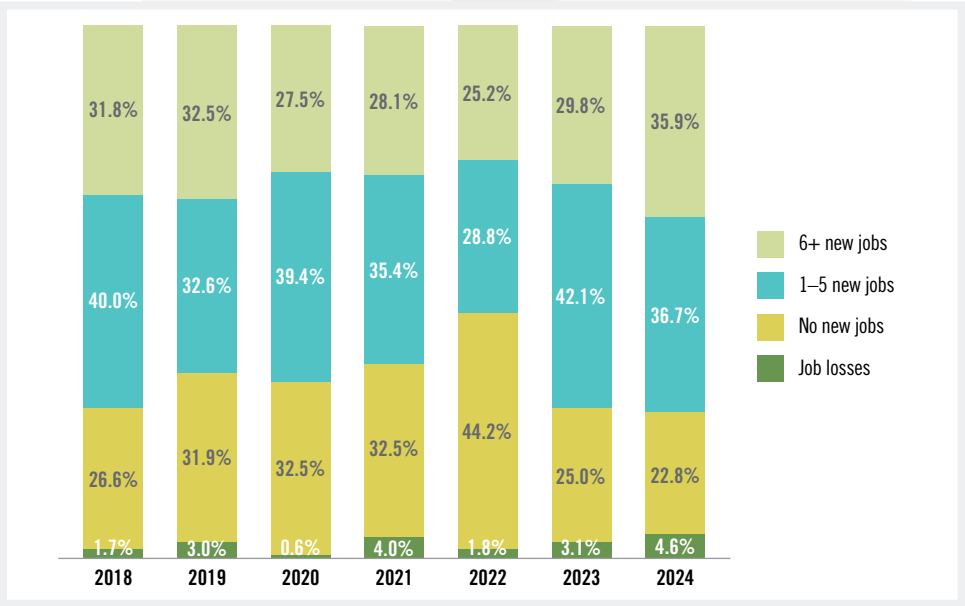
Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Figure 23: Established business owners: expected job growth in next 5 years, 2018–2024



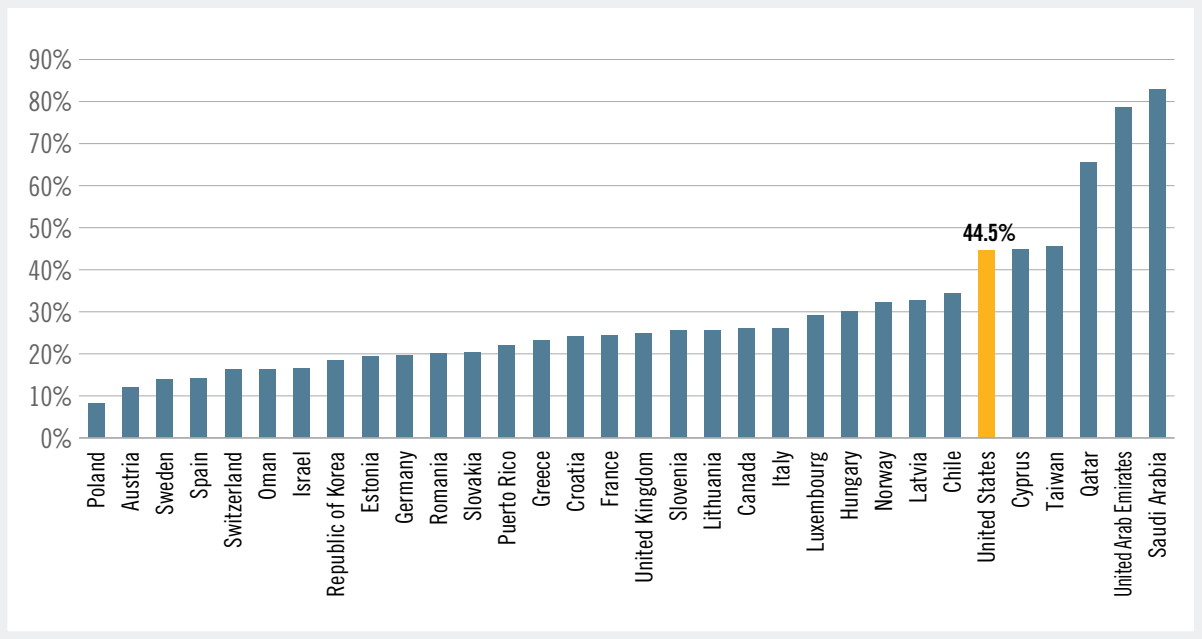
Source of data: Global Entrepreneurship Monitor, United States, 2018–2024.

Figure 24: Entrepreneurs: expected job growth in next 5 years, 2018–2024



Source of data: Global Entrepreneurship Monitor, United States, 2018–2024.

Figure 25: Expected job growth in 5 years for TEA in 32 high-income economies, 2024



Source of data: Global Entrepreneurship Monitor, 2024.

Summary

This analysis reveals several areas where entrepreneurs and established business owners have high levels of impact in the United States. This includes competing in medium- and high-technology sectors, introducing innovative products and services, and using innovative technologies and methods to produce or deliver these products and services. With a large domestic market, entrepreneurs and established business owners are reaching nationally with their offerings, but also extending their reach to international markets. A large majority of established business owners are currently employing people, and many of them, as well as those in the entrepreneurship phase, expect to hire new employees in the future.

Sai Praneeth Gudivada—Co-Founder, OcoSphere

After a successful corporate career, Sai Praneeth co-founded OcoSphere to transform customer success management. The company's AI-powered co-pilot delivers accurate customer health insights, automates routine tasks, and allows teams to focus on high-impact initiatives, driving greater value for clients.

DIGITAL TECHNOLOGIES AND AI: Embraced By Entrepreneurs and Established Business Owners

04

Eli Polanco—Founder, Nivelo

Eli Polanco founded Nivelo to address the billions of dollars lost to payment fraud caused by inefficient tools that delay critical transactions. With the rise of instant payment technologies, Nivelo is pioneering fraud protection for income-related payments, including direct deposits, tax refunds, and healthcare and retirement benefits. Focused on securing financial futures, Nivelo aims to drive the adoption of safeguards that protect society.

Overview

While a growing, although still a minority, of entrepreneurs (7%) and established business owners (10%) operate in medium- or high-technology sectors, as Chapter 3 revealed, the pervasive role of technology has a crucial impact on entrepreneurs and established business owners more broadly, enhancing various aspects of their businesses. This underscores the fact that even businesses not directly selling technology products or services are increasingly dependent on technology for their daily operations and strategic growth.

Digital Sales

Digital platforms have become a critical sales channel for entrepreneurs, with over two thirds indicating that they conducted at least one quarter of their sales through digital technologies such as business websites, e-commerce platforms, and mobile apps (Figure 26). This significant usage rate, coupled with 60% of entrepreneurs planning to increase their use of digital technologies in the next 6 months, highlights the strategic shift toward digital-first approaches in their businesses.

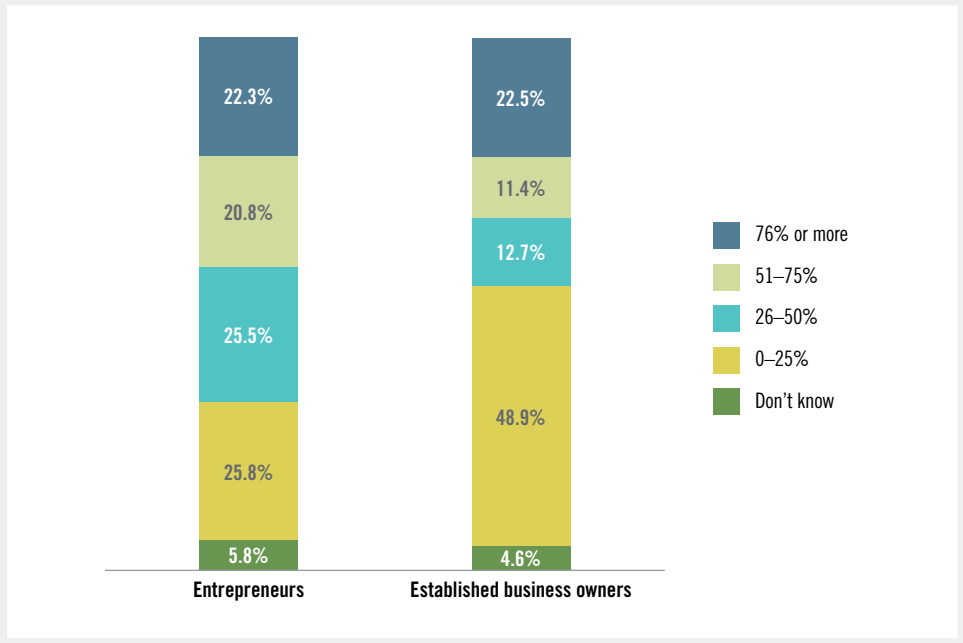
In contrast, less than half of established business owners reported utilizing digital technologies for at least one quarter of their sales, although 46% aimed to expand their digital sales capabilities. This suggests a trend whereby entrepreneurs might be more flexible or quicker in adopting digital platforms, possibly due to technology's inherent integration into their business models from inception, while more mature business owners may be transitioning more gradually, updating their legacy operations and systems to include these new technologies.

Digital Communications

Communication via digital channels is almost universal among both new and established business owners, with email remaining a fundamental tool for both internal and external communications, although somewhat less for marketing (Figure 27). Most of these business owners also utilize their websites for e-commerce purposes. Moreover, the integration of social media in business communication strategies highlights its essential role in engaging customers, marketing products, and managing brand presence. Nearly all entrepreneurs and three quarters of established business owners acknowledged the use of social media.

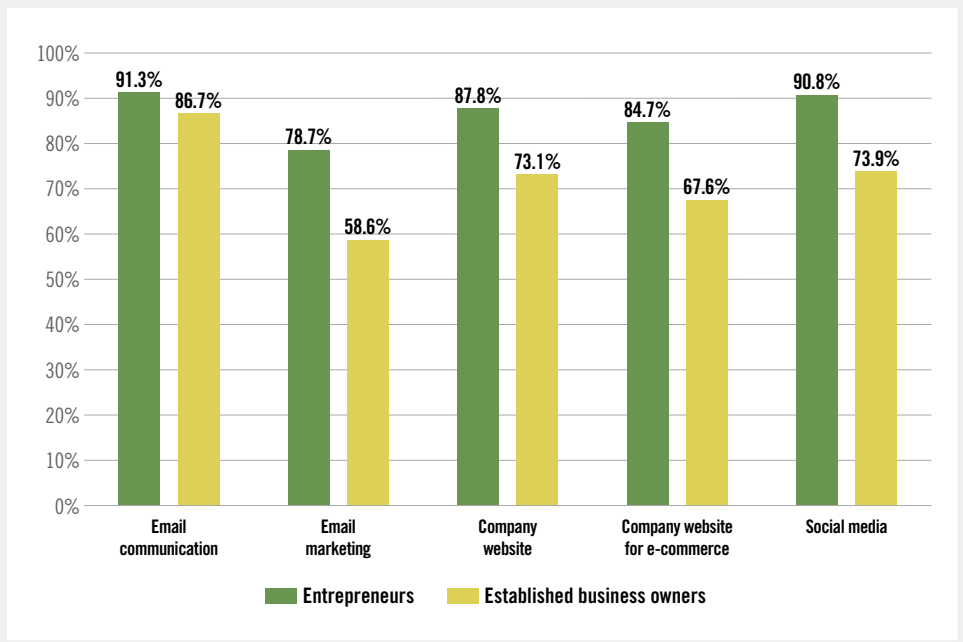
Overall, this analysis reflects the critical role of digital technologies in maintaining competitive advantage and building customer relationships in today's economy.

Figure 26: Percentage of sales made through digital technologies for entrepreneurs and established business owners in the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.

Figure 27: Use of email, websites, and social media by entrepreneurs and established business owners in the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.

Data Analysis and Storage

Data analytics are increasingly invaluable for businesses, utilized by 81% of entrepreneurs and 70% of established business owners in 2024. Tools such as Microsoft Excel, QuickBooks, Tableau, and Google Analytics are extensively employed for customer analysis, financial forecasting, and strategic planning. Additionally, a substantial majority of entrepreneurs and established business owners used cloud-based services, video conferencing and/or customer or business relationship management software (77% of entrepreneurs and 65% of established business owners), for example, Google Drive and OneDrive for data storage and Zoom and Microsoft Teams for video conferencing.

These applications not only facilitate operational efficiency but also support a flexible, responsive business environment. They enable businesses to communicate with key stakeholders and leverage data and analytics to refine their market strategies and optimize operations, demonstrating the substantial value of data management tools in contemporary business practice.

AI

Although its adoption is relatively new compared to other technologies, AI has introduced transformative potential for entrepreneurs and established business owners. AI tools like ChatGPT and DALL-E were used by 63% of entrepreneurs, and 73% anticipated AI tools being important for implementing their business model and strategy in the next 3 years. Although just less than half of established business owners reported currently using AI, a higher percentage (59%) recognized its impending importance, suggesting a growing acknowledgment of AI's potential to revolutionize business operations.

The enthusiasm for AI in the entrepreneurship community can be attributed to AI's ability to enhance operational efficiency, tailor customer experiences, and drive innovation, offering substantial competitive advantages. But despite the positive contributions AI offers, there are still those who warn of the technology's potential negative impacts.

Entrepreneurs expressed significant concerns about data security and privacy associated with AI, with half citing potential high negative impacts (Figure 28). These concerns were slightly less pronounced among established business owners, perhaps reflecting their lower usage rates or less familiarity with AI technologies. Both groups acknowledged internal costs and implementation challenges as substantial barriers, indicating the need for more accessible, cost-effective AI solutions tailored to small and medium-sized enterprises.

While they also expressed concerns about ethical issues and customer resistance to AI, these were considered to be less pressing than security and implementation issues. Notably, both groups exhibited comparatively little concern about employee resistance to AI, indicating a growing acceptance and recognition of its potential to improve workplace productivity.

Opinions about the perceived benefits of AI showed some divergence between entrepreneurs and established business owners. Entrepreneurs were more optimistic about the impact of AI on their businesses, with over half believing that AI would significantly boost their revenue growth and operational productivity (Figure 29). Nearly half of entrepreneurs also saw AI as a vehicle that can facilitate more personalized connections and offerings for their customers, leveraging AI's capabilities to tailor experiences and enhance service delivery.

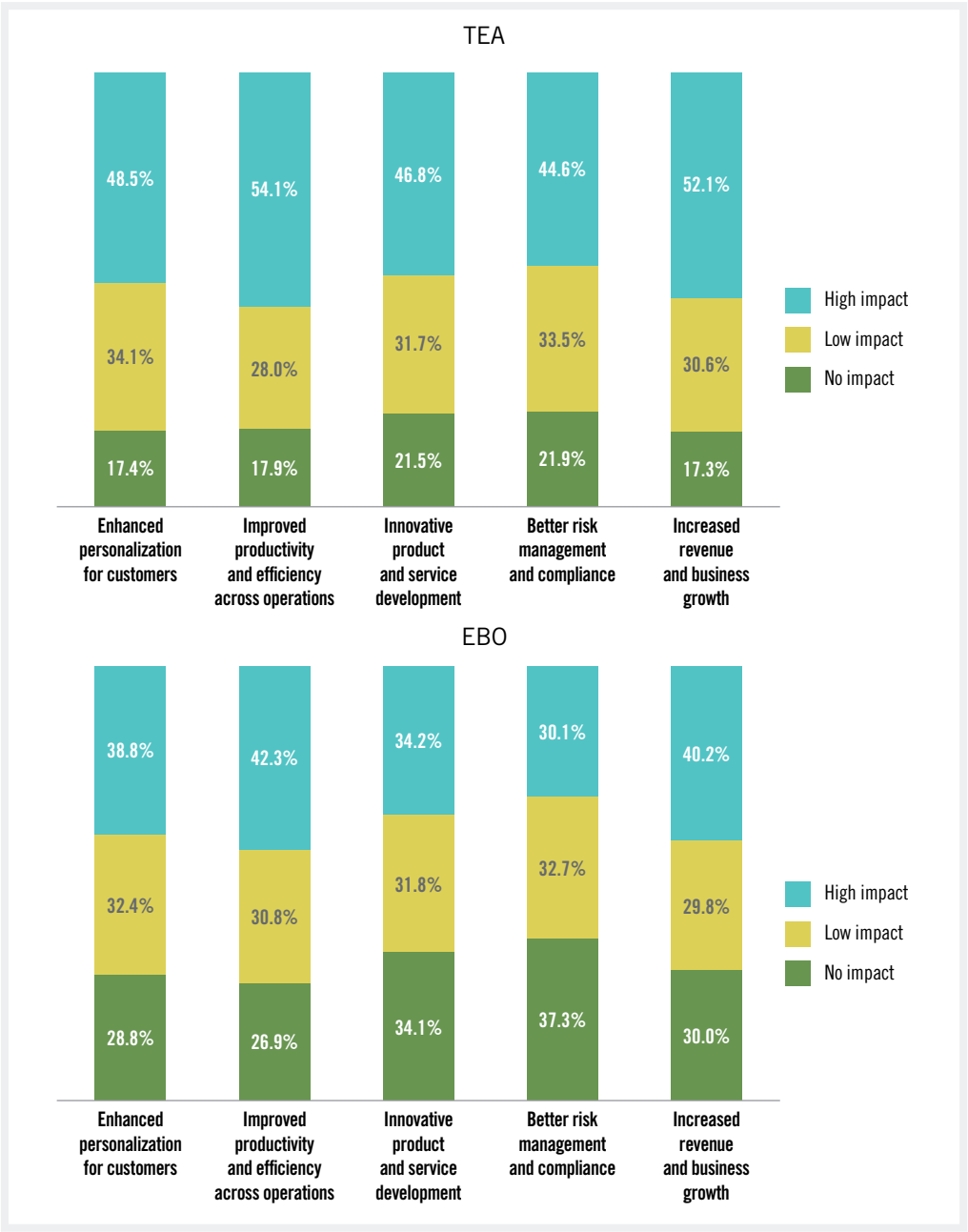
Conversely, the most acknowledged positive impact of AI among established business owners concerned operational productivity and efficiency. While they recognized the potential of AI to streamline operations, there was less enthusiasm about its role in driving revenue growth or enhancing customer relationships compared to entrepreneurs. This difference could reflect varying levels of AI integration and strategic emphasis between newer, possibly more agile businesses and more established, potentially less flexible organizations.

Overall, while there was general agreement about the challenges posed by AI, including data security and implementation costs, entrepreneurs were more optimistic than established business owners about the potential benefits of AI in transforming their business operations and customer interactions. This highlights a slight gap in perceptions between newer enterprises and more established ones, with the former possibly more attuned to the competitive advantages that AI can offer in a rapidly evolving digital marketplace.

Figure 28: Concerns about negative impacts of AI among entrepreneurs and established business owners in the United States, 2024

Source of data: Global Entrepreneurship Monitor, United States, 2024.

Figure 29: Perceptions about positive impacts of AI among entrepreneurs and established business owners in the United States, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.

Summary

This analysis of technology in entrepreneurship and EBO underscores the critical role of digital tools in modern business practices. From digital sales and communications to data management and the burgeoning field of AI, technology permeates all aspects of business operations. As entrepreneurs and established business owners navigate the complexities of digital transformation, the integration of these technologies into their businesses will continue to define the competitive landscape, dictating the dynamics of growth, innovation, and customer engagement in the entrepreneurship ecosystem.

Nicole Miller—Managing Director, Biomimicry 3.8

Nicole Miller is the managing director of Biomimicry 3.8 (B3.8), a certified B Corp social enterprise dedicated to helping changemakers create a more sustainable and just world by emulating nature's designs. Since joining B3.8 in 2012, Nicole has overseen the development of key strategic partnerships to integrate biomimicry as a tool for innovative solutions that benefit both people and the planet. She is an entrepreneurial leader who is passionate about business as a vehicle for positive change.

David Zamarin—Founder & CEO, DetraPel

David Zamarin is the founder and CEO of DetraPel, a deep-tech, advanced materials company revolutionizing per- and poly-fluoroalkyl substance-free (PFAS-free) protective coatings. Founded in 2013, DetraPel leads the market in performance coatings across food and consumer goods packaging, paper, and textiles. Serving both industrial clients, including Fortune 500 brands, and individual consumers, the company offers certified PFAS-free coatings that combine superior performance with environmental safety.

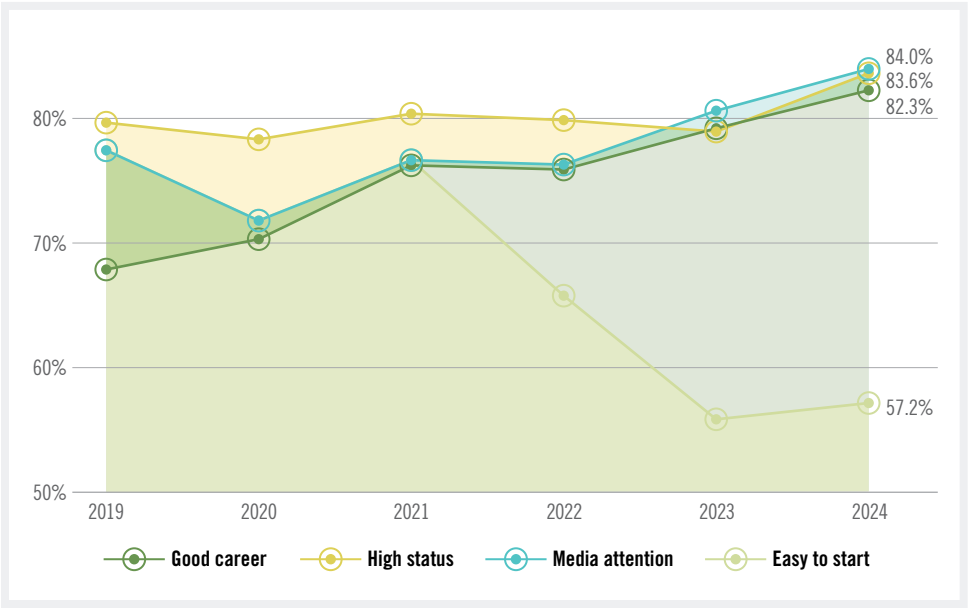
ATTITUDES, SELF-PERCEPTIONS, AFFILIATIONS, AND INVESTMENT: U.S. Society Supports Entrepreneurship

05

Tahnoon Murtza—Co-Founder, ReComune

Tahnoon Murtza co-founded ReComune, an AI-powered platform designed to combat loneliness among senior citizens by providing them with a virtual friend to talk to whenever they need it most. Through ReComune, Tahnoon is working to improve the lives of senior citizens by offering companionship and emotional support.

Figure 30: Societal attitudes toward entrepreneurship among the U.S. adult population, 2019–2024



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Societal Attitudes

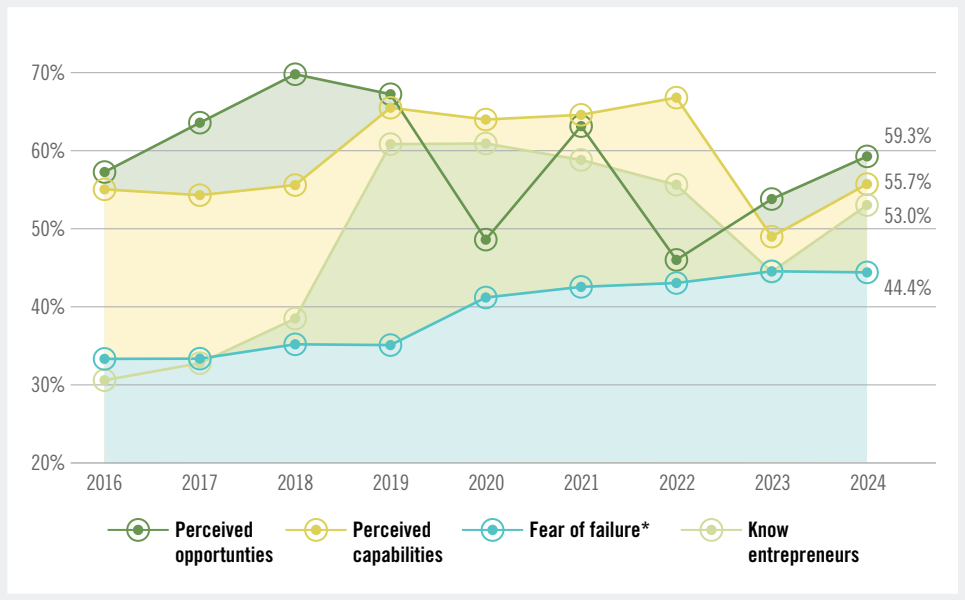
From 2020 to 2024, the perception that entrepreneurship is a desirable career choice showed a steady increase (Figure 30). This upward trajectory, including a year-over-year increase of 4% from 2023 to 2024, reflects a strengthening confidence in entrepreneurship as a viable career path. This could be attributed to the robust support for small businesses and a surge in entrepreneurship success stories popularized through various media. The economic recovery following the acute stage of the pandemic and the stabilization of job markets may have further contributed to perceiving entrepreneurship as a secure and rewarding career choice, especially important in an election year during which economic policies and support mechanisms were strongly debated.

Similarly, the high status associated with being a successful entrepreneur increased (by 6%) over the previous year. This rise can be linked to the public's growing recognition of the role of entrepreneurs in innovation and economic development. The high status associated with entrepreneurial success reflects societal values that recognize innovation and self-reliance, which are often highlighted during economic recoveries and periods of political campaigning.

The perception of media attention toward entrepreneurship also showed an overall increase from 2020 to 2024. The consistent rise, including a 4% increase from 2023 to 2024, suggests that coverage of entrepreneurial ventures has become more common as the media seeks to highlight positive economic activities and innovative responses to economic challenges. This trend is likely amplified by the digital transformation and proliferation of social media platforms through which success stories can virally influence public perception.

Conversely, belief about the ease of starting a business remains subdued, with this indicator following a general downward path since 2019, increasing only slightly from 2023 to 2024 and exhibiting a much lower value than the other three attitudes. This may indicate the existence of persistent barriers to entry in entrepreneurship, such as regulatory hurdles and capital acquisition challenges.

Figure 31: Self-perceptions concerning entrepreneurship and affiliations with entrepreneurs among the adult population of the United States, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.
Note: * among those seeing opportunities

Self-Perceptions and Affiliations

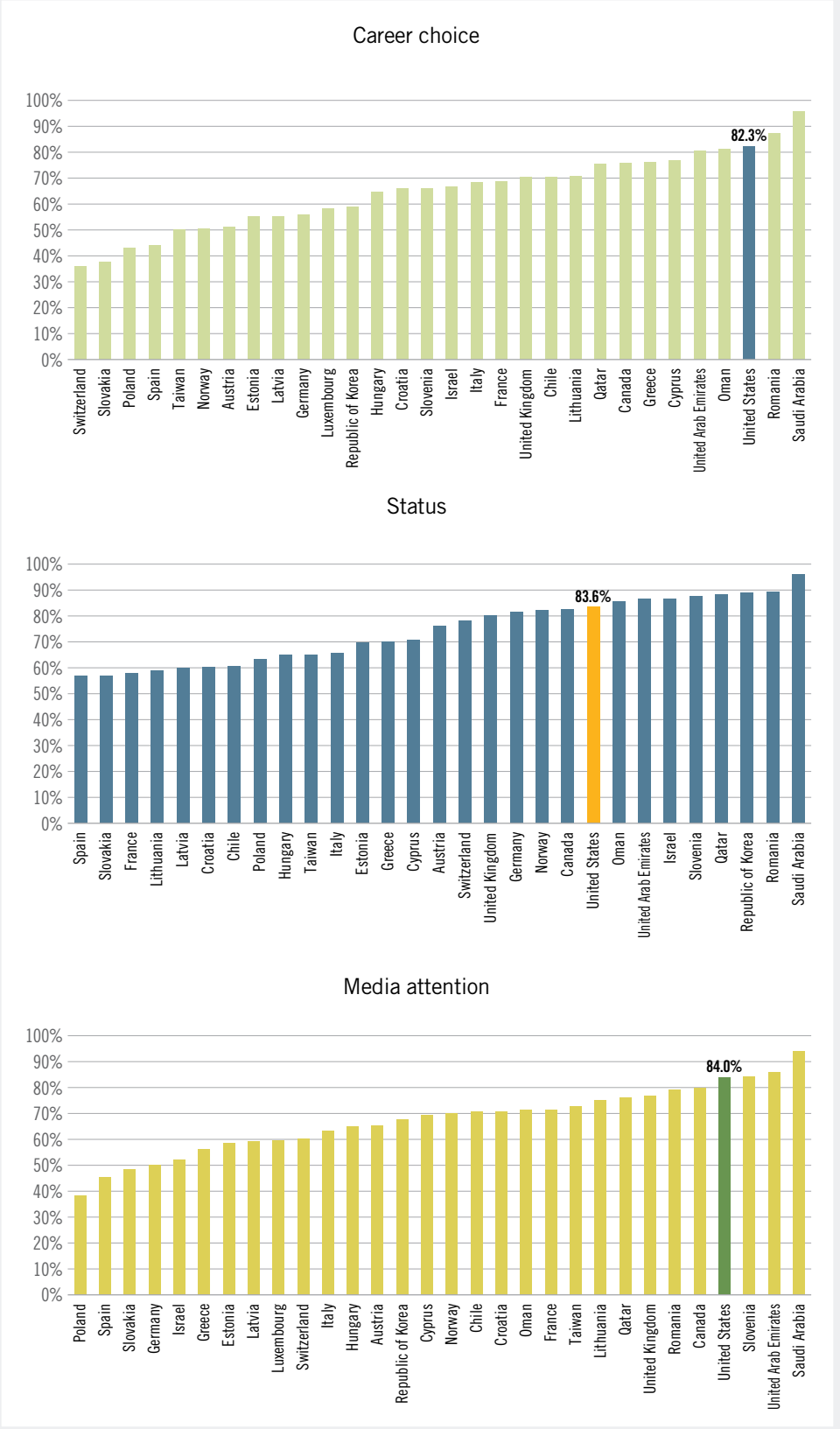
Perceptions of opportunities to start a business rose by 10% from 2023 to 2024 (Figure 31). This reflects a more optimistic outlook on the entrepreneurship landscape, likely influenced by economic recovery and increased market dynamism as the impact of the pandemic fades.

Confidence in having the necessary skills to start a business decreased in 2023, but rebounded by 14% in 2024. This recovery could be attributed to enhanced educational and training programs that have expanded in response to the technological demands of modern businesses and the shifting economic landscape as the country moved away from unprecedented disruptions that were beyond entrepreneurs' control.

Fear of failure was high in 2024 but relatively unchanged from 2023, suggesting a stabilization of the perceived risks associated with starting a business. This could be influenced by the economic policies that aim to mitigate such fears through supportive measures for small businesses, which are crucial for politicians to recognize and highlight in an election year when a focus on economic security is heightened. However, it should be noted that this indicator remains historically high.

The percentage of individuals who know an entrepreneur increased by 19% in 2024, recovering from a significant dip (to less than 50%) in 2023. This change possibly reflects economic activity returning to more normal conditions, with reinvigorated networking efforts and community engagement enhancing social interactions.

Figure 32: Societal attitudes toward entrepreneurship in 32 high-income economies, 2024



Source of data: Global Entrepreneurship Monitor, 2024.

Note: Data not reported for Sweden or Puerto Rico on all three indicators, and not reported for Luxembourg on the status of entrepreneurs.

Global Comparisons of Societal Attitudes

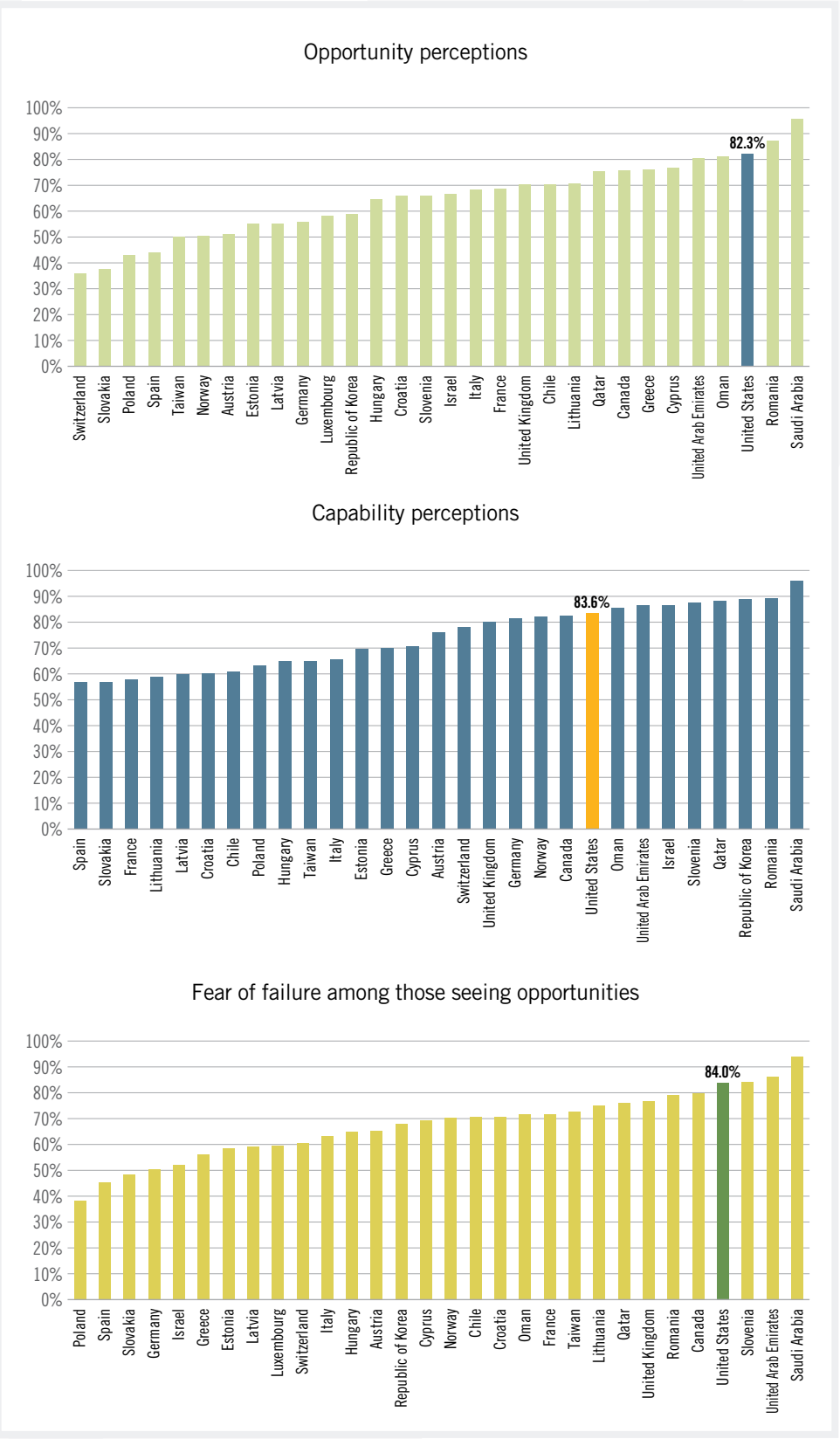
Across 32 economies classified by GEM as high income, there was a wide range of results concerning societal attitudes toward entrepreneurship as a career choice and toward the extent successful entrepreneurs receive positive media attention, with the United States near the top on both indicators (Figure 32). There were fewer differences among the high-income economies regarding whether entrepreneurs are afforded high status, with the United States scoring higher than the average of the 32 high-income economies on this indicator, in line with Canada and just below several countries in the Middle East. This suggests that attitudes about entrepreneurship are comparatively positive in the United States, particularly as a career choice and with respect to media representation.

Global Comparisons of Self-Perceptions

The high-income economies displayed a wide range of opportunity perceptions, with the United States above average on this measure, as can be seen in Figure 33. Capability perceptions also exhibited a broad range and the results for United States lie slightly above the average mark. The United States showed an above-average fear of failure compared to its economic peers. So, while entrepreneurship is held in high regard in the United States, according to the measures on societal attitudes, and Americans are more likely to have positive self-perceptions with regard to recognizing opportunities and having relevant capabilities compared to other high-income countries, they are also relatively less willing to take a risk in starting a business.

84% of people regard entrepreneurs as having high status and the same proportion believe they receive positive media attention. Among 32 high-income economies, the United States ranked particularly high in both areas.

Figure 33: Self-perceptions concerning entrepreneurship in 32 high-income economies, 2024



Source of data: Global Entrepreneurship Monitor, 2024.

Note: Data not reported for Sweden or Puerto Rico on all three indicators, and not reported for Luxembourg on capability perceptions.

Investment Trends in Entrepreneurs in the United States

Entrepreneurs are influenced by a variety of factors in their environment, including societal attitudes, self-perceptions and affiliations with entrepreneurs, reviewed previously in this chapter. Informal finance is another factor, providing a necessary source of startup capital for many entrepreneurs. The investment landscape in entrepreneurial ventures presents an interesting insight into economic behavior across various dimensions, including median investment amounts, relationships between investors and recipients, and the gender dynamics of investment. This section explores these trends, offering a deeper understanding of the underlying factors and implications.

The percentage of Americans investing in an entrepreneur increased by 13% from 2023 to 2024 (Figure 34). About one in every seven adults in the United States provided funds for someone starting a business.

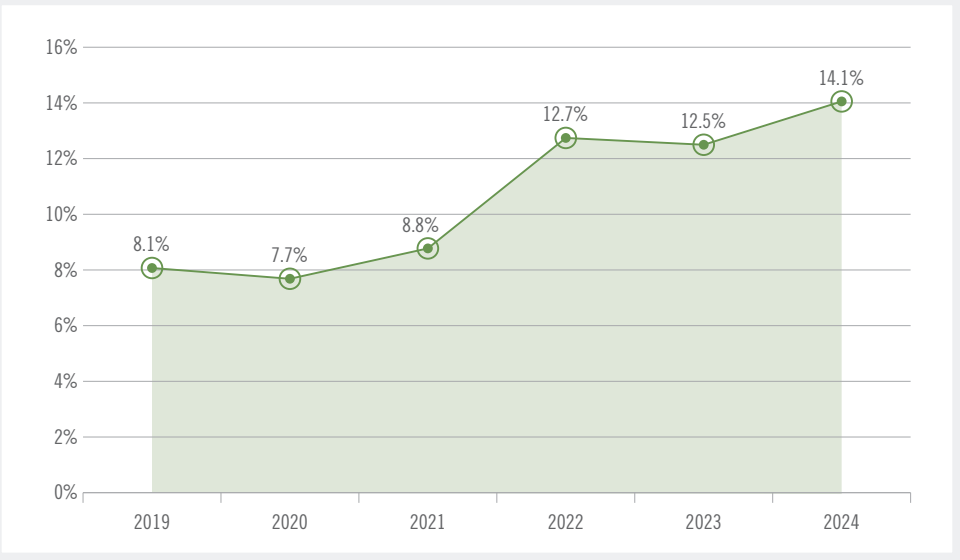
The median investment amount in entrepreneurs fluctuated from 2019 to 2024, with $5,000 representing the most commonly invested amount over this period. However, when adjusted for inflation, as Table 2 demonstrates, there was a noticeable 17% decline in the real value of investments during this period, reflecting the impact of inflation and possible variations in economic confidence and market conditions. This trend indicates that while nominal investment rates recovered post-2023, the real purchasing power and value of these investments have not fully rebounded, suggesting a cautious or constrained investment climate.

The data indicate a significant reliance on close personal relationships for entrepreneurial investments. Investments in close family members showed a 37% increase from 2019 to its peak in 2024, highlighting a trend toward trust-based investments within tight-knit familial circles. Conversely, investments in friends or neighbors declined by about half during this period, but investors supported work colleagues at nearly three times the 2019 level (Figure 35). Investments in strangers with good business ideas remained relatively low in 2024 but showed a slight increase, especially since 2022, perhaps indicating some openness to invest and increased accessibility to opportunities beyond investors' immediate social networks.

An analysis of investment by gender of the recipients shows a notable disparity: in 2024, 57% of investments went to men, compared to just 37% to women (with the remaining respondents answering 'Don't know'). This gap underscores ongoing challenges in achieving gender parity in entrepreneurial finance, especially at the early stages when informal sources can be critical in getting a business off the ground. A detailed breakdown that includes the gender of investors further reveals that only 14% of men investors funded women recipients, while 68% of women investors stated they invested in women entrepreneurs. This pattern suggests that gender biases or networks might significantly influence investment decisions, potentially impacting the diversity of entrepreneurial opportunities and innovations.

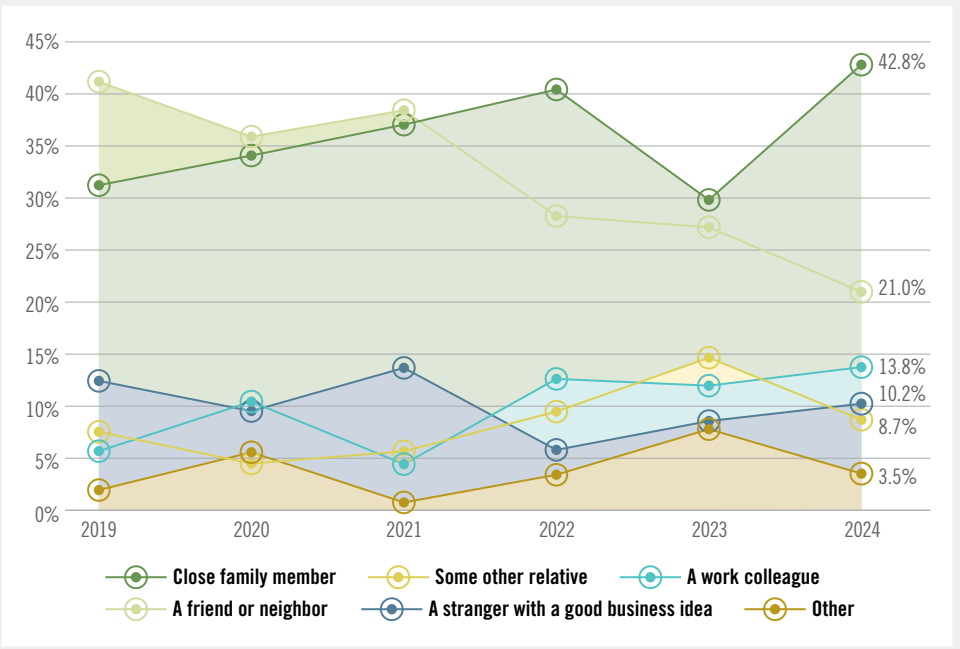
The investment trends within entrepreneurship ecosystems highlight several critical aspects. The reliance on close familial and personal relationships for investments underscores the importance of trust and known networks in financial decision-making. However, this could also limit the diversity and scope of funded ventures. The gender disparity in investment recipients and behaviors suggests a need for initiatives to foster greater inclusivity and equity in entrepreneurial financing. Addressing these disparities and expanding investment opportunities beyond traditional networks could catalyze a broader range of innovations and contribute to a more dynamic and inclusive economic landscape.

Figure 34: Informal investment activity in the United States, 2019–2024 (percentage of population aged 18–64)



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Figure 35: Relationships between investors and the recipients of their investments in the United States, 2019–2024



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Table 2: Median investment levels in entrepreneurs among informal investors in the United States, 2019–2024

Year	Median investment (not adjusted for inflation)	Median investment (adjusted for inflation, 2019 prices)*
2019	$5,000	$5,000
2020	$5,000	$4,946
2021	$4,500	$4,274
2022	$5,000	$4,457
2023	$3,000	$2,577
2024	$5,000	$4,159

Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.
Note: *Personal Consumption Expenditures Price Index (PCEPI), the preferred price index of the Federal Reserve, is used to adjust for inflation.

Summary

This analysis reveals a complex interplay of economic, social, and political factors influencing societal attitudes and self-perceptions concerning entrepreneurship as well as investment dynamics in the United States. Relative to its high-income peers, the United States exhibited highly positive attitudes about the career attractiveness of, media attention to, and status of entrepreneurship, above-average rates of perceived opportunities and self-perceived capabilities, but a relatively high rate of fear of failure. While optimism and status associated with entrepreneurship have generally increased, challenges remain, particularly in the perceived ease of starting a business and in gender disparities in informal investments.

Will Marra—Founder, Swipe Athletics

Will Marra and Swipe Athletics aim to eliminate the stress of hand sweating in athletics. The company's newest product, Swipe Shorts 2.0, features a seamlessly integrated set of towels on both sides of the shorts, making it easier than ever to wipe away hand sweat. Crafted from lightweight polyester and spandex, the towel's design ensures it will not impede athletic performance while helping athletes eliminate hand sweat one swipe at a time.

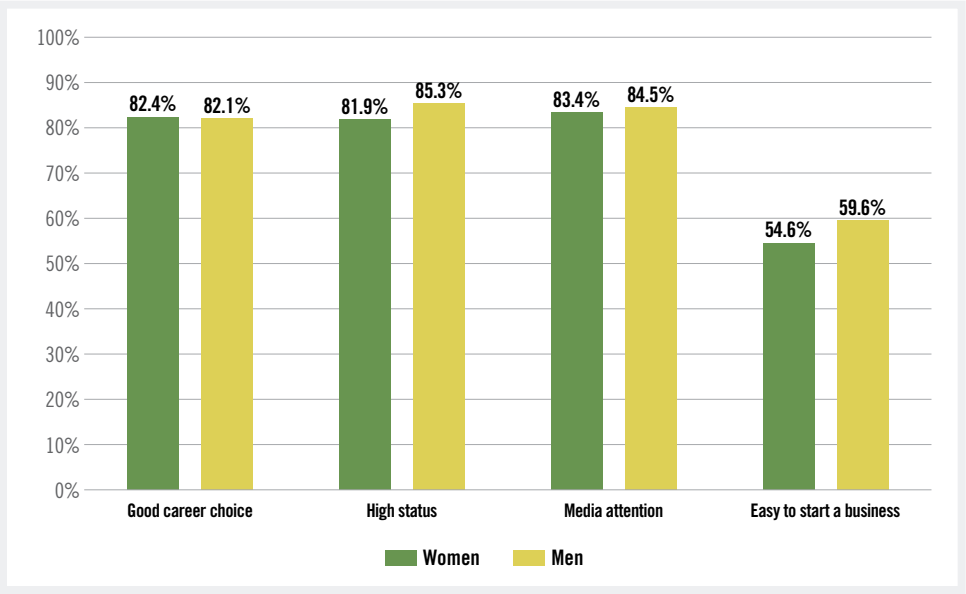
GENDER IN ENTREPRENEURSHIP: Women Showing Resilience, Adaptability, and Impact

06

Alexina McQuilkin—Founder, Local Treasure

Alexina McQuilkin founded Local Treasure, an app that helps brick-and-mortar stores attract more foot traffic through virtual treasure hunts. Once hesitant to share her idea, Alexina overcame her fear of judgment by stepping out of her comfort zone, embracing opportunities to grow, and pursuing her entrepreneurial vision with confidence. With plans to launch in 2025, Alexina is proving that innovation thrives when passion meets perseverance.

Figure 36: Societal attitudes by gender among the U.S. adult population, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.

An examination of gender in entrepreneurship for 2024 not only reveals a rebound in entrepreneurial activity and optimism among women but also highlights persistent gender gaps in self-perceptions, innovation, and market scope, as well as a notable shift toward economic motivations for business creation.

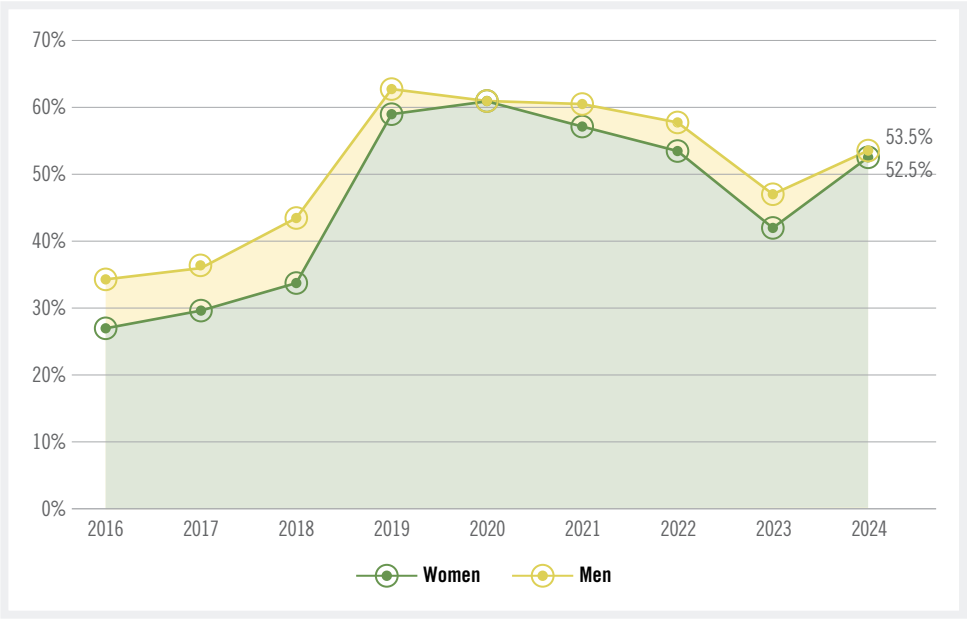
Societal Attitudes

In 2024, the perception that entrepreneurship is a good career choice remained nearly equal for women and men (Figure 36), showing little change from the previous year. Similarly, the view of entrepreneurship as high status and being portrayed positively in the media, and the perception that it is easy to start a business remained about the same as the previous year for both genders. These consistent trends highlight continued optimism about entrepreneurship among both women and men.

Personal Affiliations with Entrepreneurs

For both men and women, the likelihood of knowing an entrepreneur experienced a recovery after exhibiting a decline in 2023. For men, the percentage rose 14% over the previous year, while, for women, it increased dramatically by one quarter. Figure 37 shows this rebound in entrepreneurship affiliations for both sexes, returning close to pre-2023 levels although below the peak levels observed from 2019 to 2021.

Figure 37: Entrepreneurship affiliations by gender among the U.S. adult population, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.

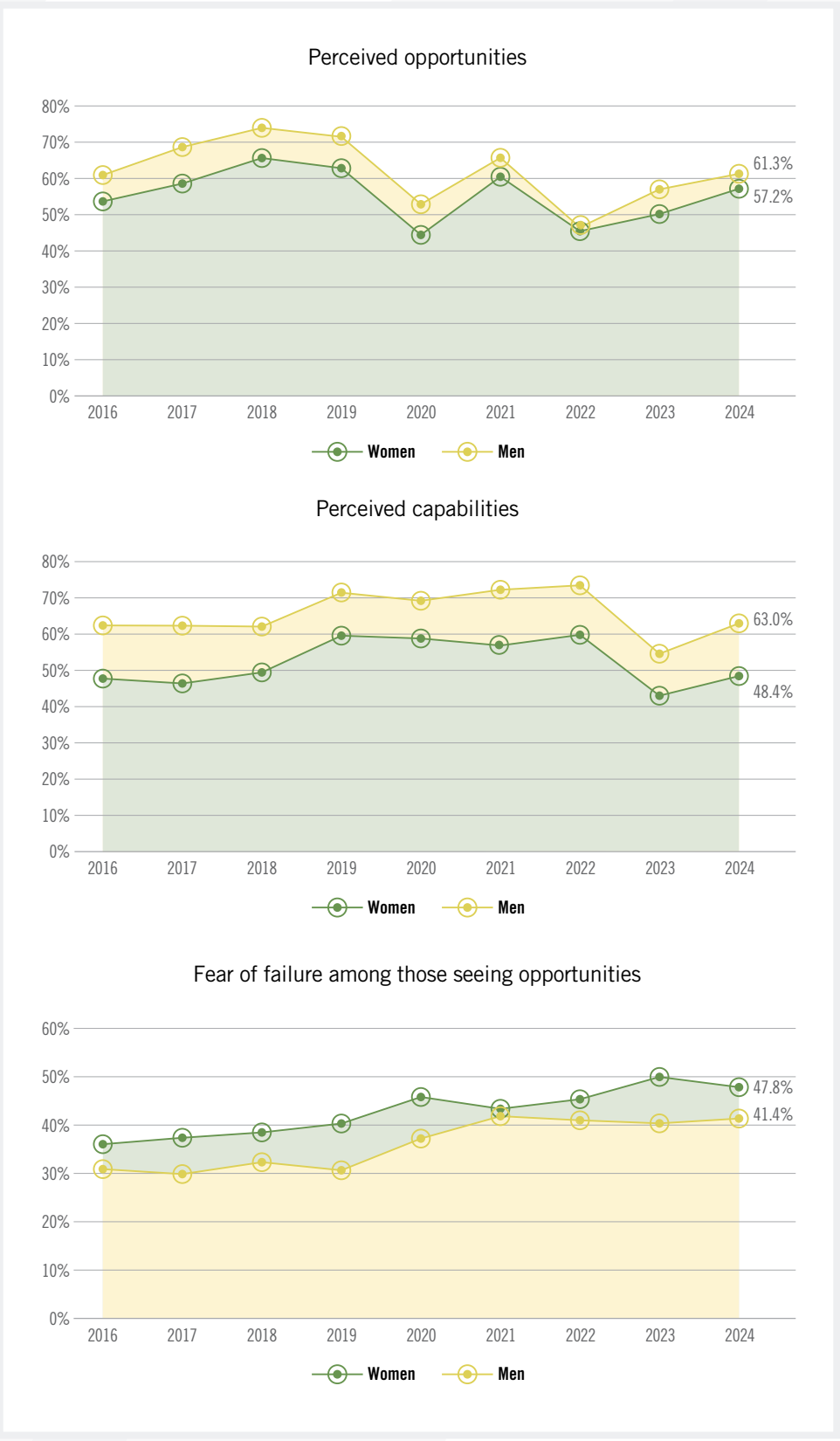
Self-Perceptions

The launch of a new venture is linked to self-perceptions concerning opportunities, capabilities to launch a business, and fear of failure. In other words, when individuals see opportunities and believe they have the ability to act on these without a strong fear of failure, this is expected to lead to higher TEA rates. In 2024, opportunity perceptions increased for both sexes, reflecting a partial recovery toward pre-pandemic levels. There is only a small gap between men and women on this indicator (Figure 38).

Perceived capabilities to start a new venture show a partial rebound after the previous year's significant decline.

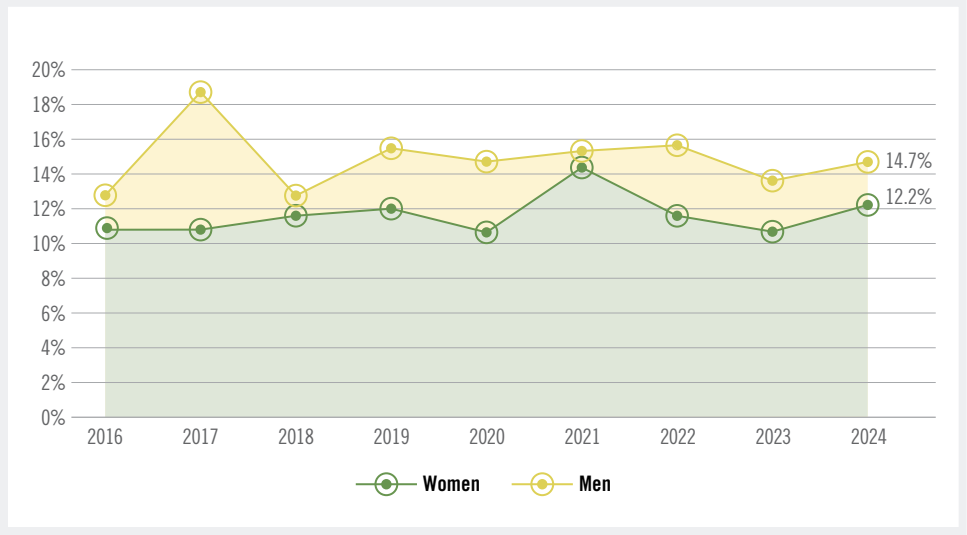
For men, capability perceptions increased by 15% in 2024, while women experienced a 13% rise. Although the capability perceptions for both men and women saw improvement, the persistent gap between them remains, with men consistently reporting higher levels of confidence in their entrepreneurial abilities. Fear of failure remained fairly steady for both women and men in 2024, with continued higher levels reported by women than men.

Figure 38: Self-perceptions by gender among the U.S. adult population, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.

Figure 39: Entrepreneurial intentions by gender among the U.S. adult population, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.

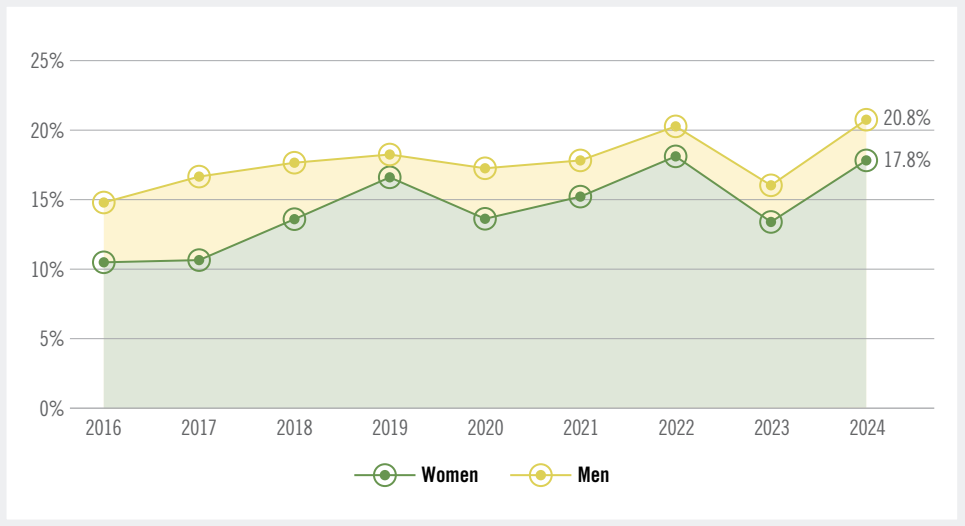
Entrepreneurial Intentions

Over the past decade, entrepreneurial intentions of men and women have rarely been close to parity, with near-equal rates observed only in 2018 and 2021. Men's intentions have shown greater variability over time, while women's intentions have remained relatively stable. In 2024, both women's and men's intentions increased slightly, exhibiting a gender gap of 2.5 percentage points, slightly narrower than in the previous two years (Figure 39). This consistent gap highlights the ongoing disparity in entrepreneurial intent between men and women.

Tanya Wadhwa Kakarania—Co-Founder, Shiftzzy

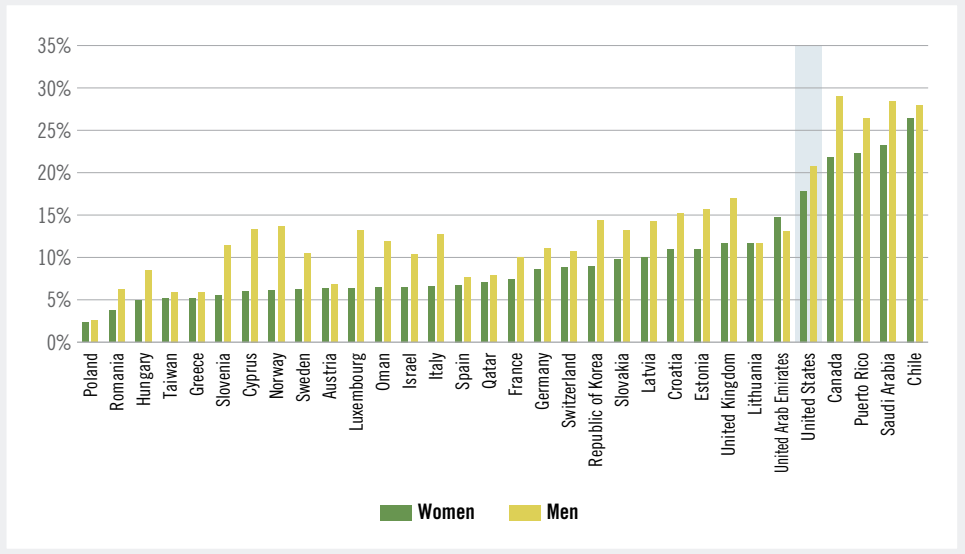
Tanya Wadhwa Kakarania is a co-founder of Shiftzzy, a platform that is transforming the study-abroad experience for students worldwide. Shiftzzy is not just an app; it is also a movement in which connections, mentorship, and resources collide to create life-changing experiences. Driven by her passion for education and entrepreneurship, Tanya is helping Shiftzzy not only simplify relocation but also unlock the potential of every student who dares to dream big.

Figure 40: TEA rates by gender among the U.S. adult population, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.

Figure 41: TEA rates by gender in 32 high-income economies, 2024



Source of data: Global Entrepreneurship Monitor, 2024.

TEA

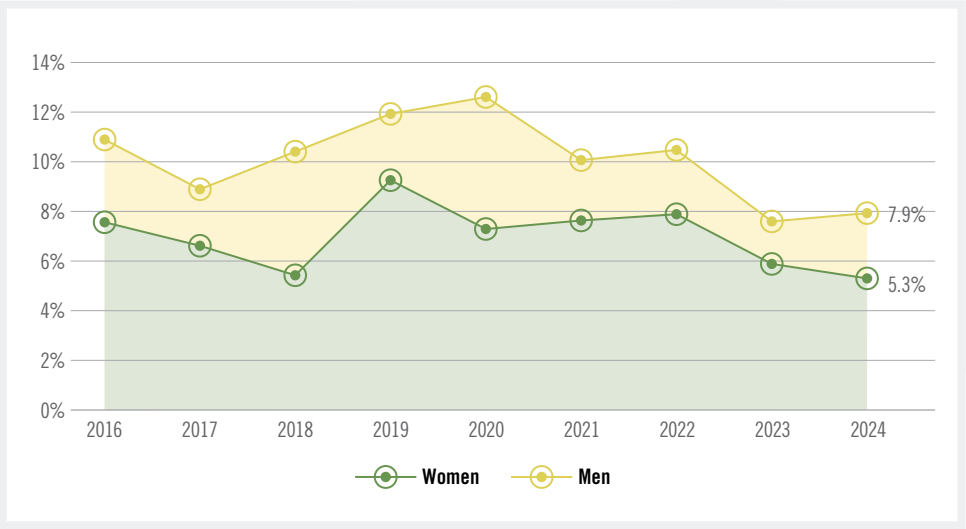
Given the modest recovery in perceived capabilities and entrepreneurial intentions, and the relatively steady levels of fear of failure, it is not surprising that TEA rates for 2024 show improvement compared to the previous year (Figure 40). The TEA rates for both men and women increased by around 30%. This reflects a return to the upward trajectory observed in earlier years, with TEA rates matching 2022 levels. The gender gap of 3 percentage points is similar to the previous 3 years, a slight improvement compared to pre-pandemic disparities.

The United States ranked fifth in women's TEA among the 32 high-income economies participating in GEM in 2024, following Chile (26%), Saudi Arabia (23%), Puerto Rico (22%), and Canada (22%). Compared to Western European economies, the entrepreneurship rates of U.S. women remained significantly higher, with the closest competitors being Lithuania and the United Kingdom, both at 12% (Figure 41).

It is noteworthy that entrepreneurship rates for women have remained relatively stable in some countries while declining in others. For instance, countries like Canada and Chile have continued to show robust entrepreneurial activity among women, with both exceeding 20% in 2024. Although the women's entrepreneurship rate is slightly lower than that in the United States, it does reflect an increase from 2023. This contrasts with lowering of rates across many European countries, such as France and Germany.

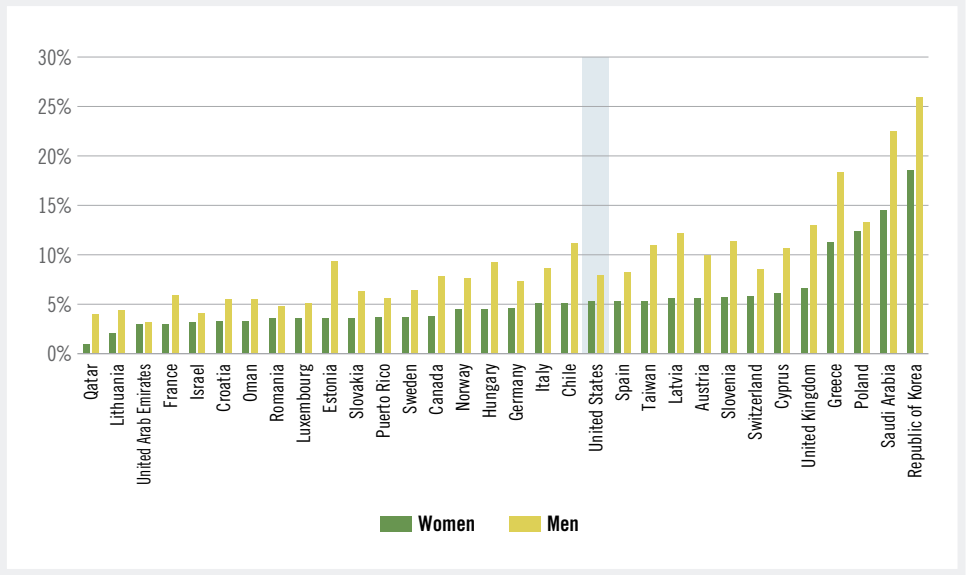
A return to the upward trajectory observed in earlier years, with TEA rates matching **2022 LEVELS**

Figure 42: EBO rates by gender among the U.S. adult population, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.

Figure 43: EBO rates by gender in 32 high-income economies, 2024



Source of data: Global Entrepreneurship Monitor, 2024.

EBO

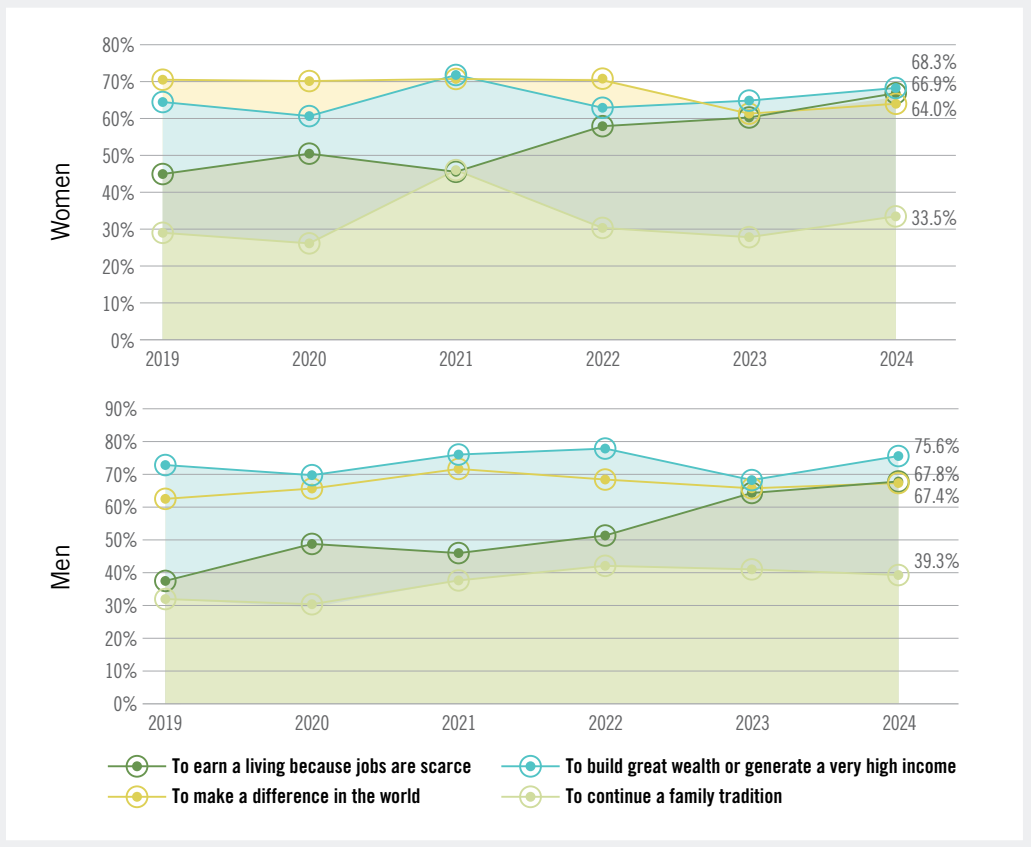
In 2024, the EBO rate continued to exhibit low levels for both men and women. Women's EBO rate decreased by 10% from 2023 to 2024, continuing a steady decline over the past 2 years and falling to the lowest level in the observed period (Figure 42). Men's EBO rate, meanwhile, stayed relatively the same in 2024, after a significant drop the previous year. Despite these trends, the gender gap in EBO rates persists, with men consistently maintaining higher levels than women over the years.

An examination of EBO rates across high-income economies shows average levels on this indicator for U.S. women and lower levels for U.S. men compared to the average for the 32 economies (Figure 43).

In 2024, the Republic of Korea reported the highest rate of EBO for women at 19%, significantly surpassing other high-income economies. Saudi Arabia ranked second, at 15% for women, continuing its strong performance in entrepreneurial activity. Notable increases in EBO rates have been observed in Saudi Arabia, Poland, and the United Kingdom, among others. Despite declines in some countries, these increases demonstrate the variability and resilience of business ownership worldwide.

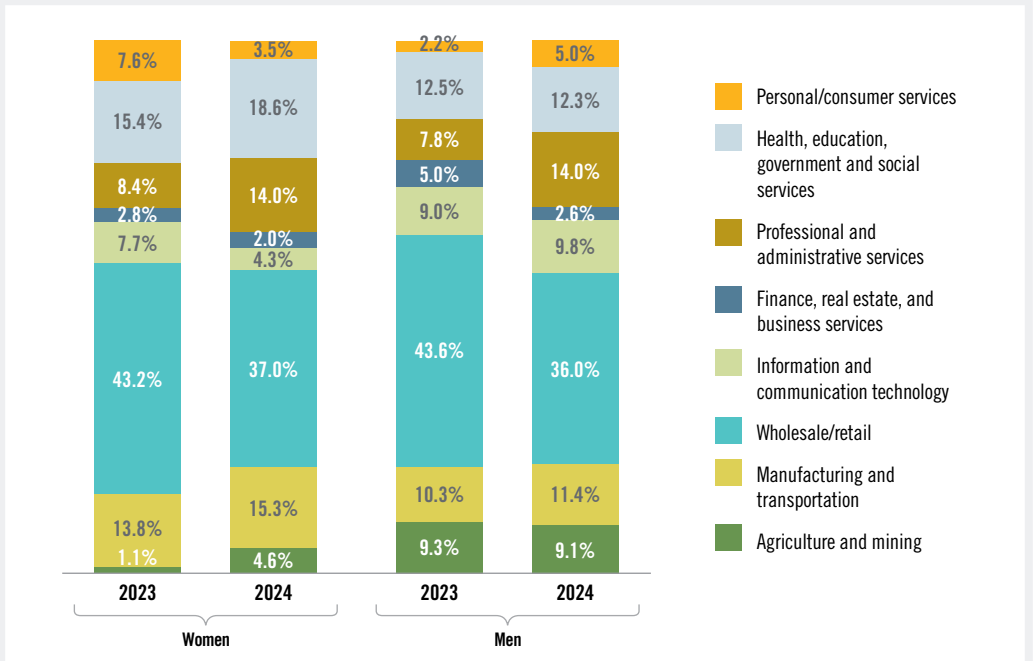
10% decrease in women's EBO rate from 2023 to 2024, marking a steady two-year decline to its lowest level in the observed period.

Figure 44: Entrepreneurial motives by gender among the U.S. adult population, 2019–2024



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Figure 45: Industry sector participation for TEA by gender among the U.S. adult population, 2023–2024



Source of data: Global Entrepreneurship Monitor, United States, 2023–2024.

Entrepreneurial Motives

Individuals have different—sometimes multiple—motives for starting a business. The 2024 results show some differences from previous years, especially for women (Figure 44). From 2019 to 2022, the percentage of women who reported being motivated to start a business to make a difference in the world was around 70%. However, in 2024, this motivation was 64%, a slight increase over 2023 but still a 9% decline from 2019 levels. In 2023 and 2024, women's motivation to make a difference fell below that of men, who reported a slightly higher rate of 67% in 2024. Men's motivation in this category has demonstrated a more stable trend over the past 5 years.

Both women and men reported a strong focus on building great wealth or achieving a very high income, with 68% of women and 76% of men citing this as a motivation in 2024. The motivation to continue a family tradition showed different trends for women and men in the past year. For women, it increased from 28% in 2023 to 33% in 2024. In contrast, men reported little change, from 41% in 2023 to 39% in 2024.

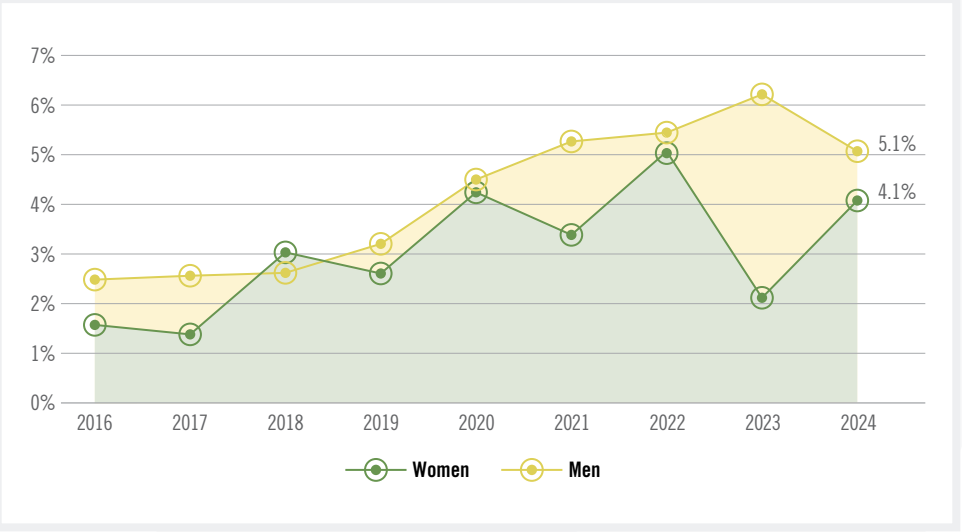
Perhaps the most striking trend was the sharp rise in the motivation to earn a living because jobs are scarce. For women, this jumped from 60% in 2023 to 67% in 2024 and exhibited an astounding rise of nearly one half since 2019. Among men, this motivation increased from 64% in 2023 to 68% in 2024, and showed more than an 80% rise since 2019. This marks the highest recorded levels for job scarcity as a motivator in the past 5 years for both men and women, underscoring broader economic pressures and the role of entrepreneurship as a pathway to financial stability in uncertain times.

Industry Participation

An analysis of industry participation reflects some differences from 2023 (Figure 45). One of the most notable trends is the sustained strength of both women and men in wholesale and retail businesses, despite a decline in the percentage competing in this sector for both genders. Conversely, startups in manufacturing and transportation increased slightly in 2024, with women still leading in this sector.

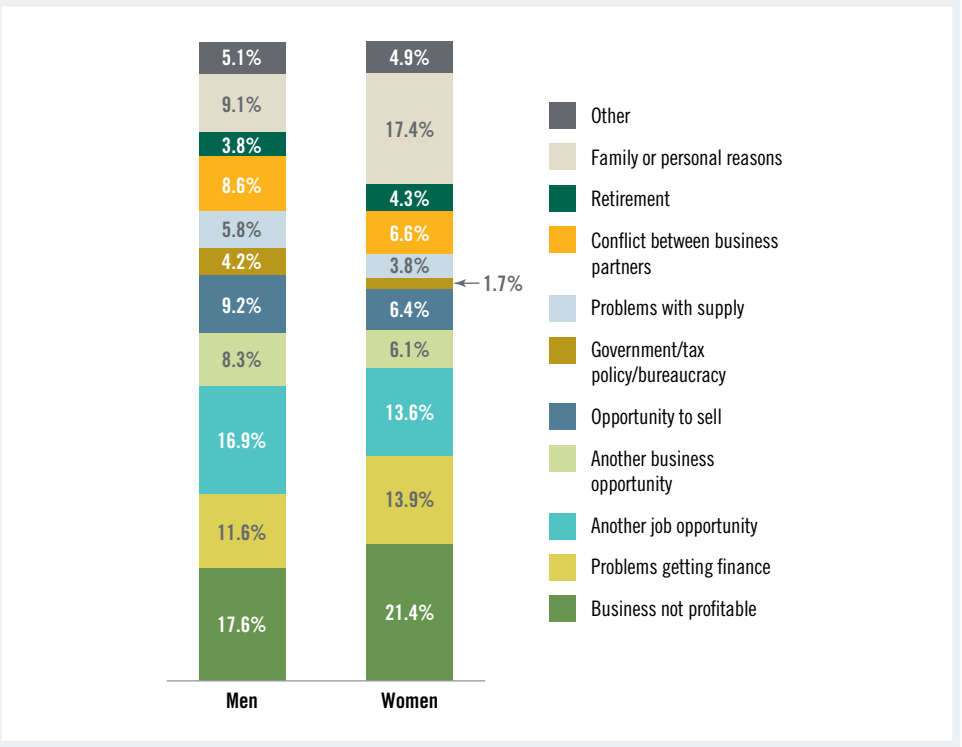
Participation in information and communication technology declined for women in 2024 compared to the year before, with men reporting over twice women's rate of participation in this industry group. But in the health, education, government, and social services sector, women outpaced men significantly, by about one half, underscoring their leadership in industries centered on caregiving and public service. However, few women were starting businesses in finance, real estate, and business services, and agriculture and mining. Women and men participated equally in professional and administrative services.

Figure 46: Business closures in the previous 12 months by gender among the U.S. adult population, 2016–2024



Source of data: Global Entrepreneurship Monitor, United States, 2016–2024.

Figure 47: Reasons for business closures by gender among the U.S. adult population, 2024



Source of data: Global Entrepreneurship Monitor, United States, 2024.

Business Closures

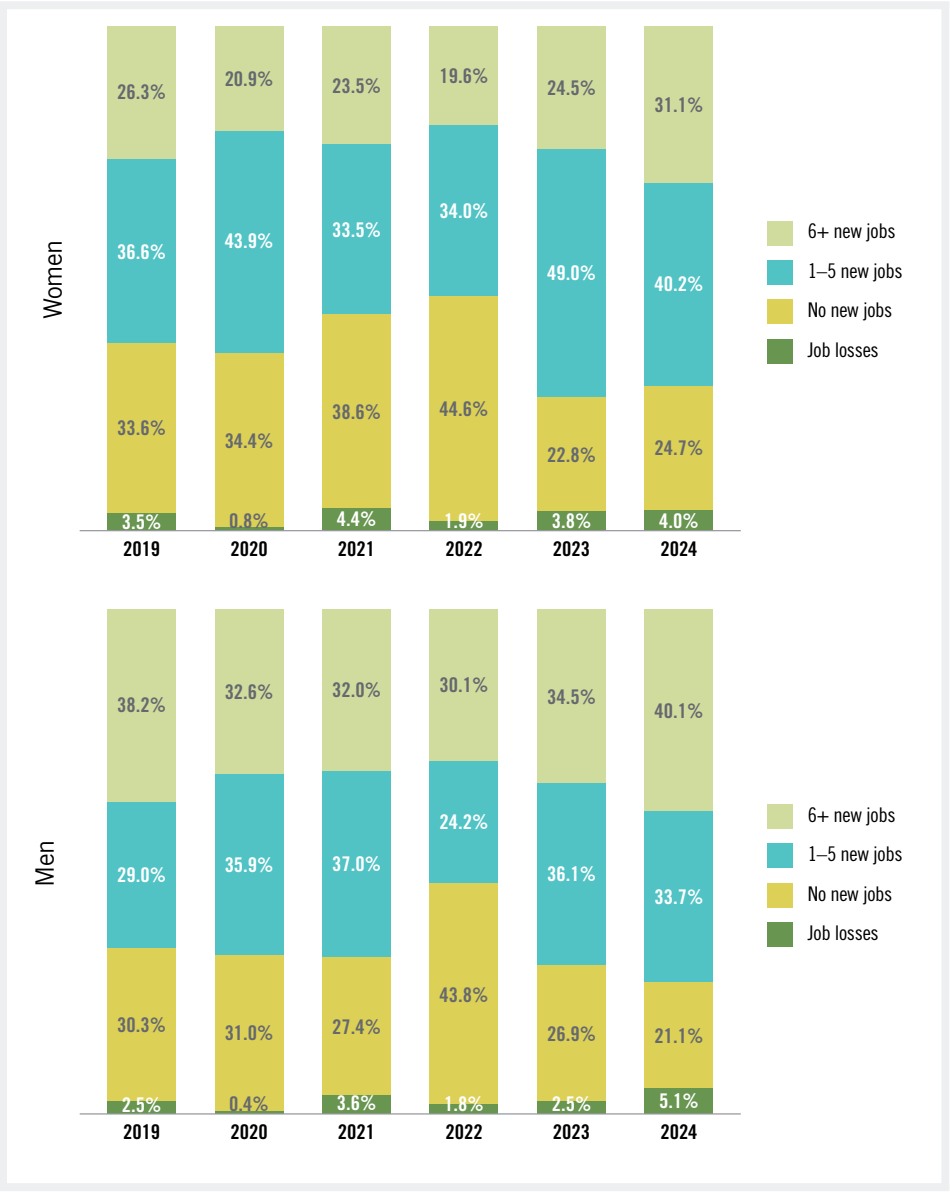
The survival of businesses reflects not only entrepreneurial resilience but also broader economic conditions. According to GEM 2024 data, the rate of business closures for women increased in 2024, but has fluctuated over time (Figure 46). Despite this recent increase, the rate of closures for women remains lower than that for men, which edged slightly downward in 2024 after many years of increases. These trends highlight a narrowing gender gap in business discontinuation rates and lower rates among women, which could indicate not only women's greater resilience compared to men but also that women start and run fewer businesses. This underscores the importance of understanding the reasons behind these closures to better support entrepreneurial sustainability for both men and women.

An examination of the reasons for entrepreneurs closing their businesses in 2024 reveals that the primary reason for closure among women was a lack of profitability. This indicator showed an increase from the previous year, making this a more common reason for women than for men. The second most reported reason for business closures for women was family or personal reasons, nearly double the rate of that for men (Figure 47). This highlights the persistent influence of personal circumstances on women entrepreneurs.

For men, the most frequently cited reason for business closure, other than a lack of profitability, was another job opportunity; a slightly higher percentage of men than women reported this as a reason. Problems obtaining financing also emerged as a significant issue for both men and women. Pursuit of another business opportunity and conflicts between business partners were other notable reasons among women and men. Additional reasons, even if cited less often, nonetheless provide insights into the diverse challenges entrepreneurs face. Overall, these findings underscore the varying pressures and opportunities that drive business closures for men and women, with profitability and personal factors weighing more heavily on women.

The primary reason for business closure, as stated by women, was lack of profitability

Figure 48: Job creation expectations for TEA by gender among the U.S. adult population, 2019–2024



Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

Job Growth Projections

Expectations for job creation can serve as a sign of growth ambitions among entrepreneurs and established business owners. The results for entrepreneurs reveal that 29% of women expected to create no new jobs or even implement job losses in the next 5 years, and 26% of men predicted the same. This is similar to the 2023 results but much lower than the results for the years prior to that (Figure 48).

Among those predicting they would add jobs, women were more likely than men to predict one to five new jobs, while men were more likely than women to predict six or more new jobs.

Although levels of expected job creation increased for both women and men in 2023 and 2024, this analysis highlights a divergence between men and women, with women showing more conservative job creation expectations, with a higher percentage indicating the middle range of one to five jobs.

Job creation expectations among established business owners showed that, among both women and men, the percentage of those anticipating creating no new jobs decreased significantly from 2023 to 2024. Women established business owners were also slightly less likely to project job losses in 2024 than they

Figure 49: Job creation expectations for EBO by gender among the U.S. adult population, 2019–2024

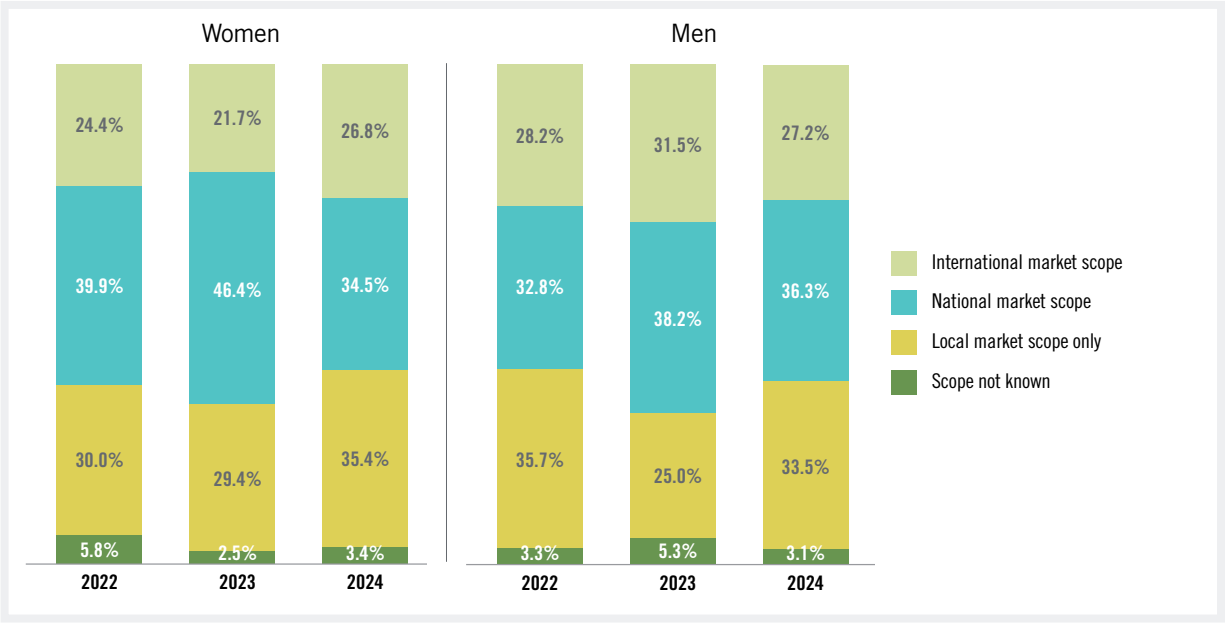
Source of data: Global Entrepreneurship Monitor, United States, 2019–2024.

were in 2023. However, the opposite was true of men: their expectations of implementing job losses more than quadrupled from 2023 to 2024 (Figure 49).

For women, the proportion expecting to create one to five jobs rose by about one half in 2024, reflecting growing optimism for moderate job creation. Men also demonstrated an increase in this category, but with an increase of only about one quarter since 2023. But perhaps the most positive sign of growth can be seen in the more than eight-fold increase from 2023 to 2024 in projections for creating six or more jobs among women established business owners, narrowing the gender gap generated in 2023 for this higher level of job creation.

Overall, the data reflect a general increase in job creation optimism among established business owners, with a shift away from stagnation (no new jobs) toward moderate- and high-growth expectations. However, the anticipated rise in job losses among men suggests some underlying economic pressures or sector-specific challenges that merit closer examination.

Figure 50: Market scope for TEA by gender among the U.S. adult population, 2022–2024



Source of data: Global Entrepreneurship Monitor, United States, 2022–2024.

Market Scope

An analysis of market scope for TEA by gender shows that in 2024 around one third of both women and men entrepreneurs operated businesses that serve a local market only (Figure 50). This represents an increase for both genders compared to 2023 and highlights that a significant proportion of entrepreneurs remain focused on their immediate geographical area.

A little over one third of both men and women identified having a national market scope, and 27% of both stated they serve international markets. Compared to 2023, one quarter fewer women entrepreneurs served national markets in 2024, but they increased their reach into international markets by almost one quarter over this period, closing the gap with men.

Innovation

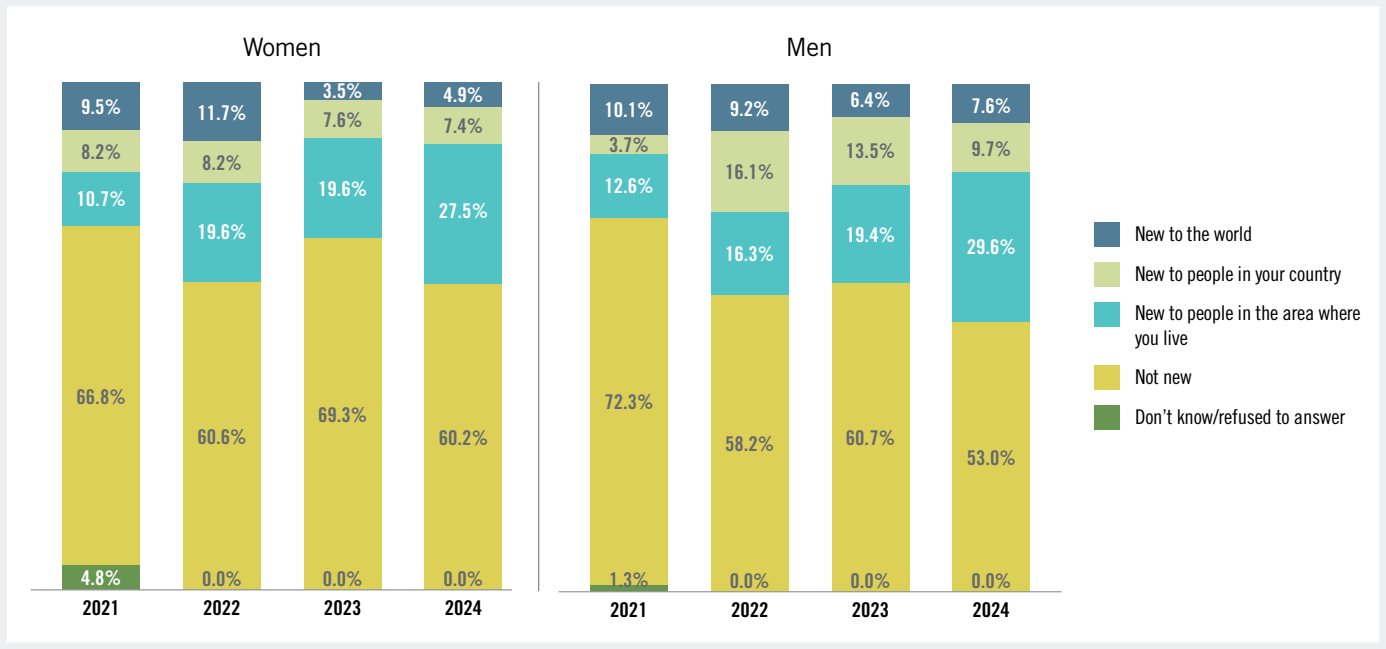
Innovative entrepreneurs are offering products or services that are new to people locally, nationally, or globally. While Figure 51 shows that the majority of entrepreneurs in 2024 still believed their product or service was not new, this was a lower percentage than in 2023 for both women and men. Compared to 2023, women were 40% more likely to state they had innovative offerings at a local level in 2024. For men, this local innovativeness increased in 2024 by more than half compared to the 2023 results. But while women reported around the same percentage of national-level innovativeness in 2024 compared to 2023, this percentage decreased for men. The percentage of both women and men pointing to innovativeness at an international level rose in 2024, but remained somewhat small.

These trends highlight a growing focus on localized innovation among both men and women entrepreneurs, with modest improvements in perceptions of global novelty.

Summary

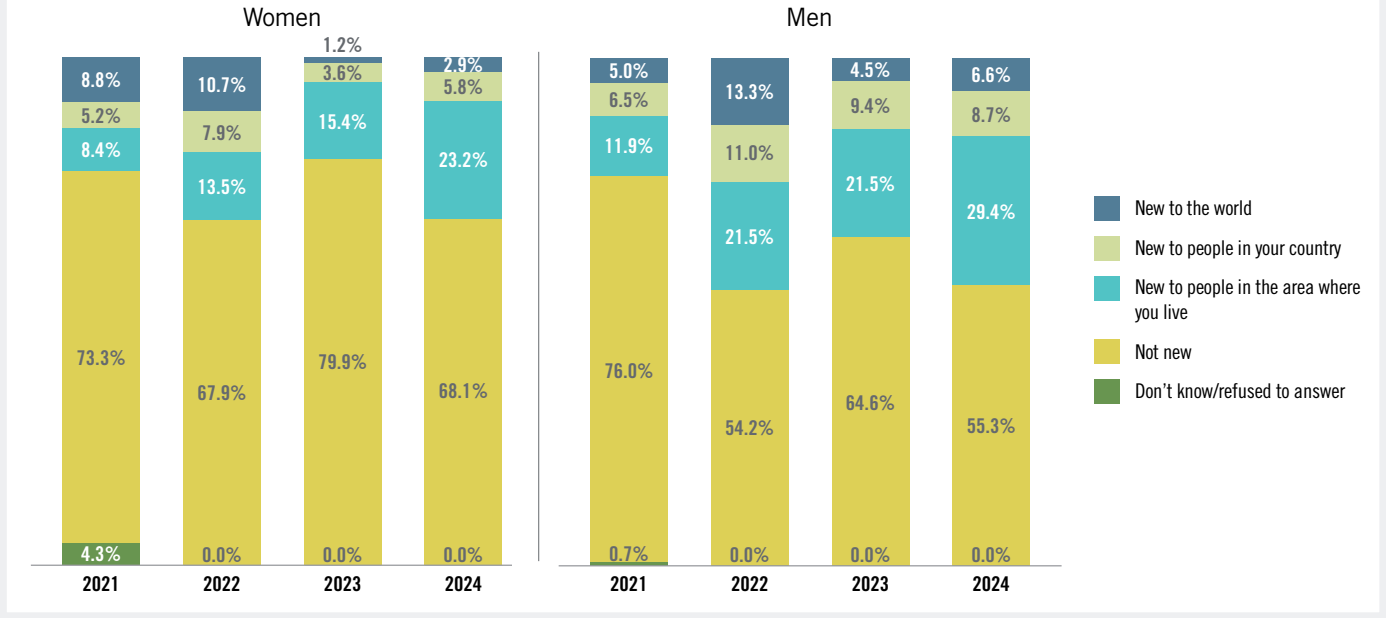
Women's entrepreneurship in the United States in 2024 reflects resilience, adaptability, and steady contributions to the national economy. While challenges like the persistent gender gap in self-perceptions and limited global innovation remain, the upward trends in TEA rates, job creation expectations, and localized innovation underscore the vital role of women entrepreneurs in fostering economic growth and societal progress. Their contributions, spanning various industries and geographical market scopes, are crucial to the broader entrepreneurship ecosystem.

Figure 51: Innovation for TEA by gender among the U.S. adult population, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Figure 52: Use of new technologies or procedures for TEA by gender among the U.S. adult population, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

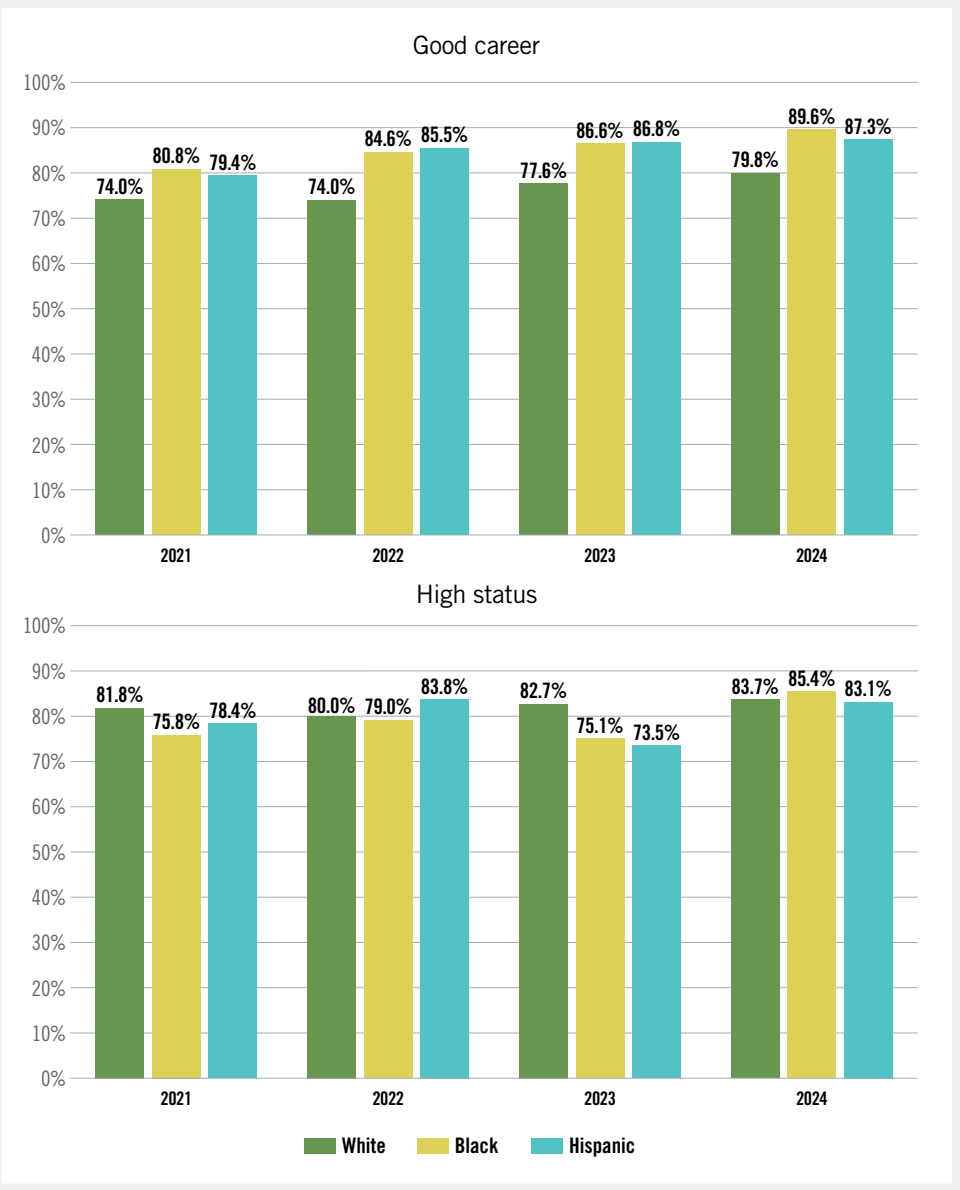
RACE AND ETHNICITY CHARACTERISTICS: Demonstrating The Diversity of Entrepreneurship in The United States

07

Krish Khemlani—Co-Founder, Desi Eats

Kris Khemlani and Inan Kocatepa founded Desi Eats, a fast-casual dining concept offering healthy, customizable Indian meals. They focus on creating low-calorie, high-protein options that reimagine traditional Indian cuisine, using proprietary spice blends to simplify the cooking process while maintaining authentic flavors. Their mission is to make Indian food more accessible, flavorful, and nutritious for everyone.

Figure 53: Societal attitudes toward entrepreneurship among three racial/ethnic groups in the U.S. adult population, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

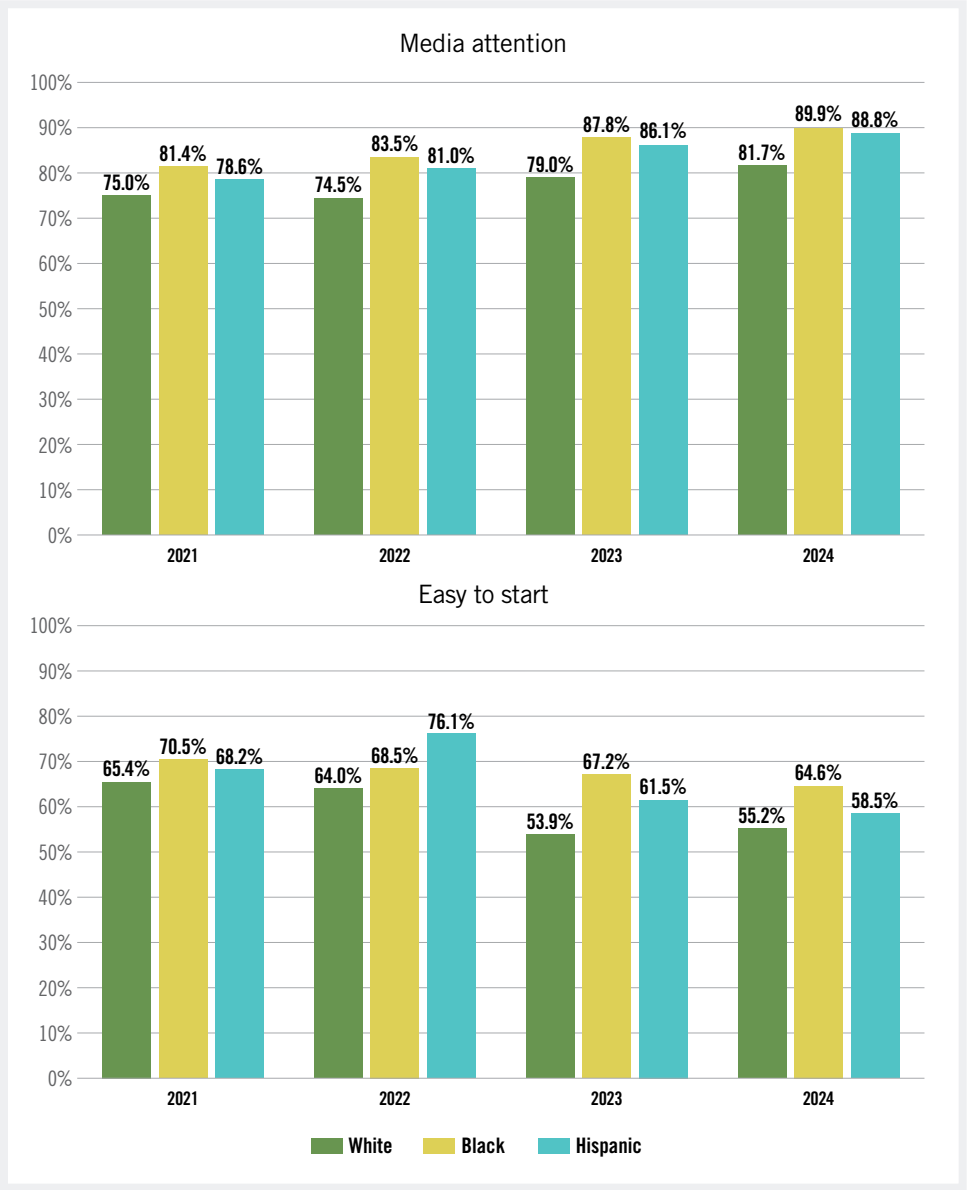
Introduction

People experience the entrepreneurship process differently based on their personal identities and the contexts in which they are embedded. This chapter examines entrepreneurial attitudes, business ownership, and closure among White, Black, and Hispanic individuals in the United States.

Societal Attitudes

White, Black, and Hispanic individuals consistently perceived entrepreneurship as a good career choice over the period from 2021 to 2024, as shown in Figure 53, with Black and Hispanic respondents more likely to express positive attitudes than White respondents. In the same vein, positive attitudes toward entrepreneurship as garnering high status remained high during these 4 years among all three groups. The positive

Figure 53 Continued: Societal attitudes toward entrepreneurship among three racial/ethnic groups in the U.S. adult population, 2021–2024

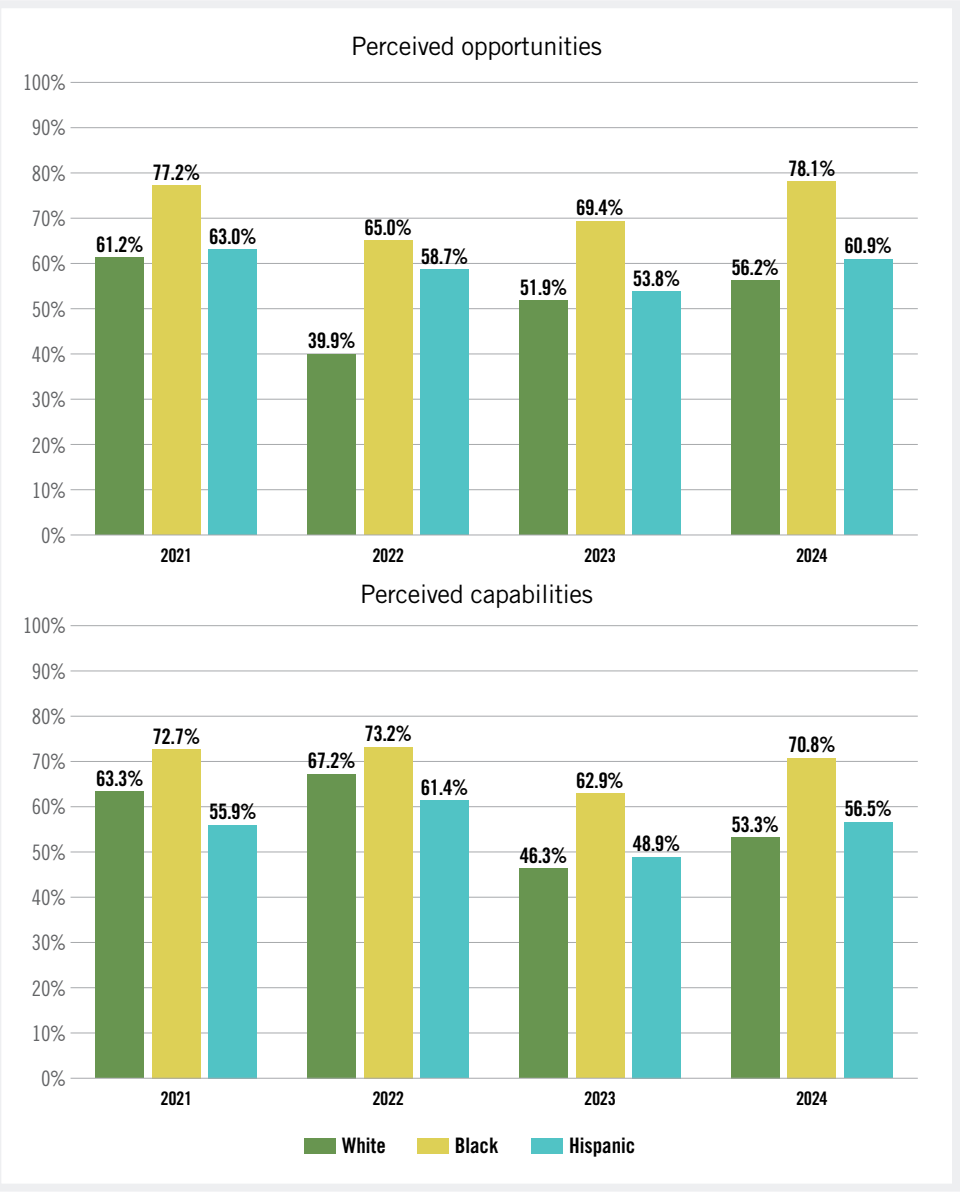


Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

attitudes regarding entrepreneurship as a good career choice and having high status were consistent with perceptions that successful entrepreneurs are praised in the media—although positive beliefs about media attention were higher among Black and Hispanic respondents than White respondents.

Furthermore, while the proportion of people believing that it is easy to start a business in the United States was above 50% across all three groups, it was greater among Black and Hispanic respondents than White respondents. However, the share of people believing that it is easy to start a business was lower in 2023 and 2024 for all three groups, compared to 2021 and 2022. This suggests that entrepreneurship remains a highly valued occupational choice among these populations even though positive attitudes toward the ease of starting a business seem to have decreased over much of this 4-year period.

Figure 54: Self-perceptions concerning entrepreneurship and affiliations with entrepreneurs among the U.S. adult population by racial/ethnic group, 2021–2024



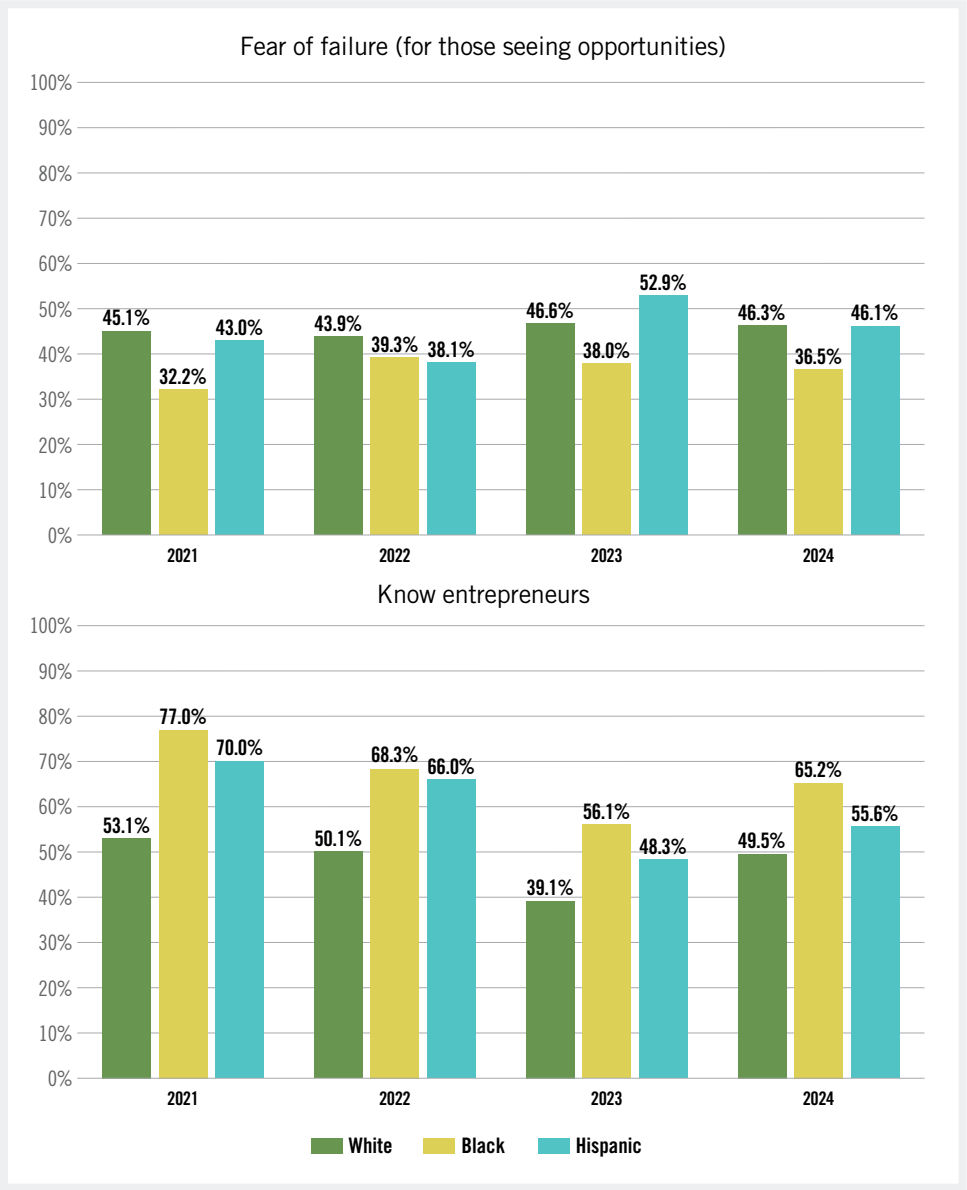
Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Affiliations and Self-Perceptions

The proportion of people reporting that they have identified good opportunities for starting a business was higher among Black individuals than among the other two groups, and this remained consistent over the 4 years shown in Figure 54. Although more Black respondents said they saw good business opportunities, this proportion was above 50% for all three groups in 2021, 2023, and 2024. In addition, a greater proportion of Black individuals (compared to the other two groups) reported having the required skills and knowledge to start a venture; they also expressed the lowest fear of business failure.

A higher percentage of Black and Hispanic individuals (compared to White individuals) reported that they know

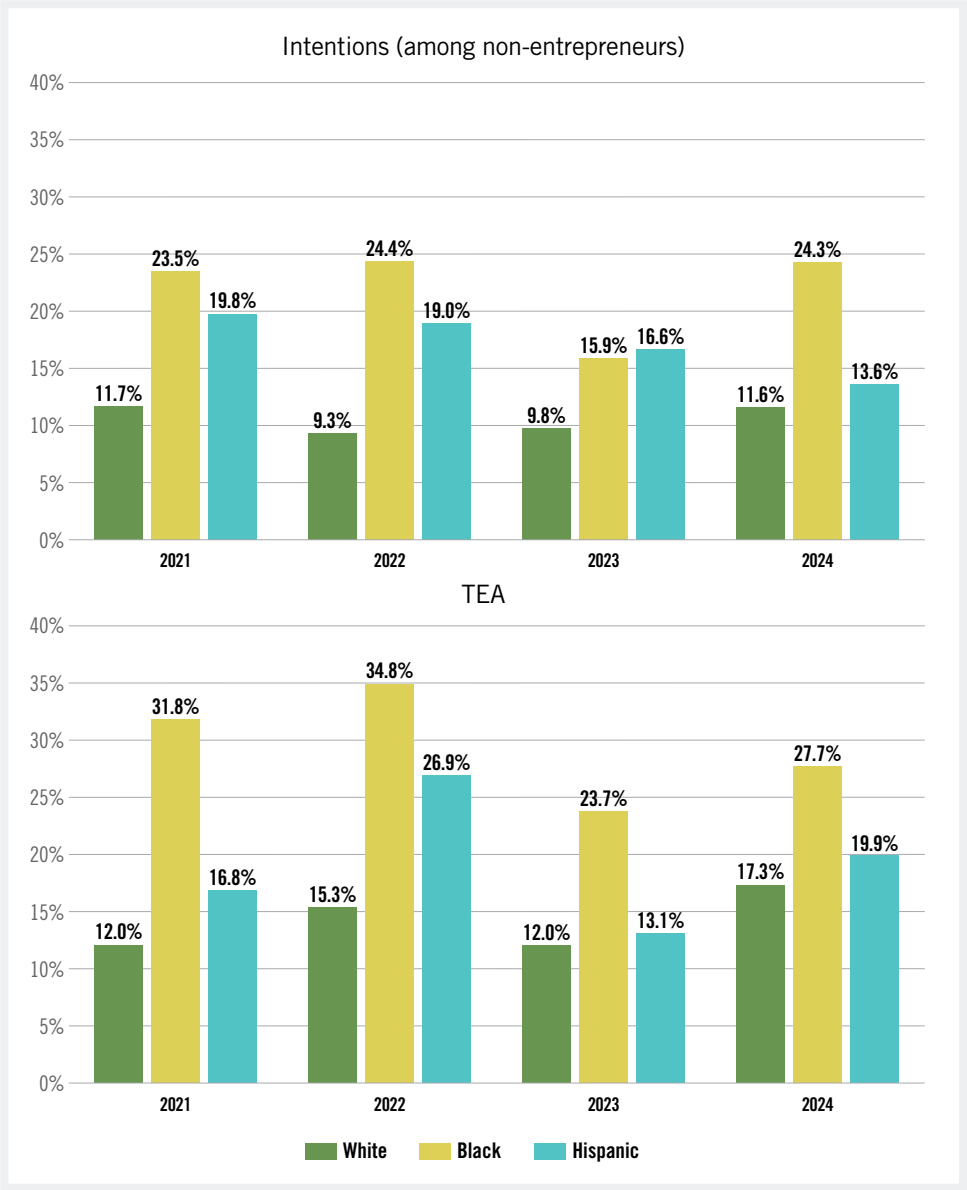
Figure 54 Continued: Self-perceptions concerning entrepreneurship and affiliations with entrepreneurs among the U.S. adult population by racial/ethnic group, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

an entrepreneur, which is a consistent result across the 4 years. These affiliations might partly explain why a greater proportion of Black and Hispanic people consistently expressed favorable attitudes toward entrepreneurship as a good career choice during these 4 years, given that knowing an entrepreneur makes this endeavor more visible and provides aspirational role models.

Figure 55: Participation in four business phases among the U.S. adult population by racial/ethnic group, 2021–2024

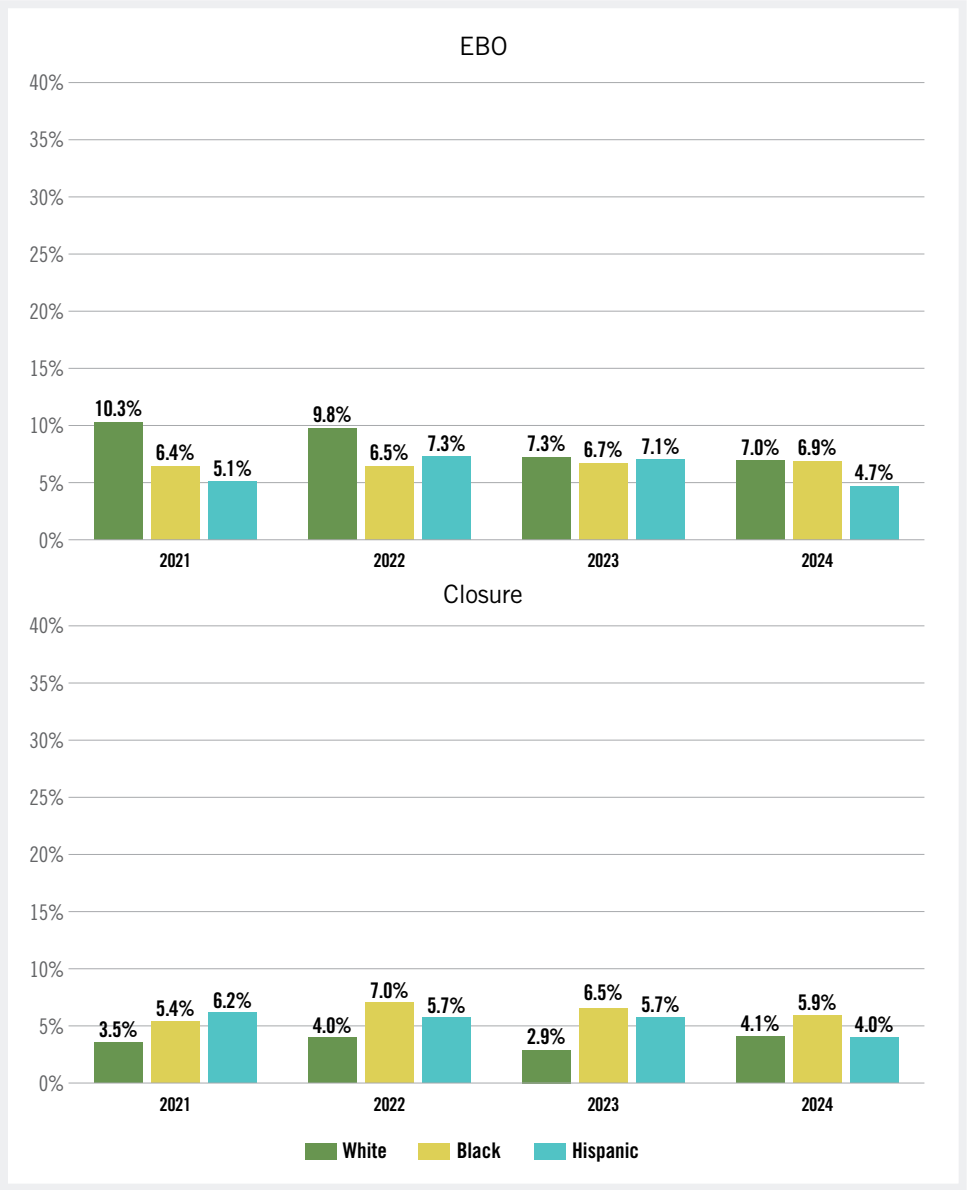


Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Rates of Participation in Business Phases

Consistent with the higher positive attitudes toward the ease of starting a business, business opportunity identification, and having the required business skills, and less fear of business failure, a greater proportion of Black respondents (compared to the other two groups) indicated that they would start a business in the next 3 years (Figure 55). This share was just over twice that of White individuals in 2024. Although the proportion of people intending to start a business was lower among Hispanic people than Black people, it was higher than among White people. Similarly, the entrepreneurship rate was highest among Black respondents and lowest among White respondents. However, the entrepreneurship rate among the White population was higher in 2024 than it was for this group the previous 3 years.

Figure 55 Continued: Participation in four business phases among the U.S. adult population by racial/ethnic group, 2021–2024

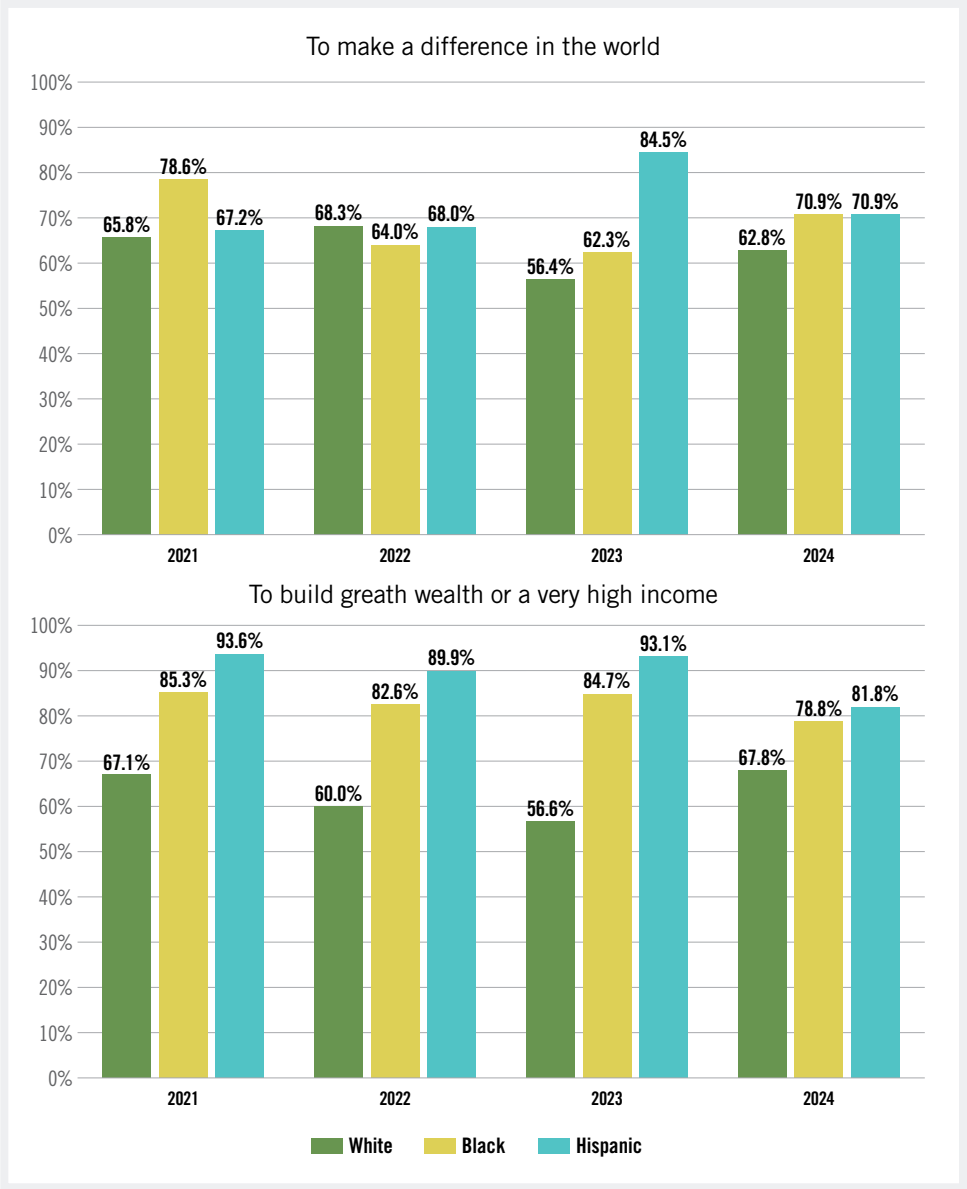


Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Although attitudes, self-perceptions, intentions, and TEA rates were high among the Black population, ownership of an established business was much higher among White individuals in 2021 and 2022. However, in 2023 and 2024, EBO dropped among White respondents to the lower level reported by Black respondents, which has stayed roughly the same over the 4-year period.

Business closures were slightly higher among Black individuals than among the other two groups for the three most recent years featured in Figure 55. It would be useful to investigate why EBO was relatively low and changed very little over the 4-year period among Black people, who also experienced slightly higher closure rates, while reporting relatively high entrepreneurial intentions and TEA during the same period.

Figure 56: Motivations among entrepreneurs in the United States by racial/ethnic group, 2021–2024



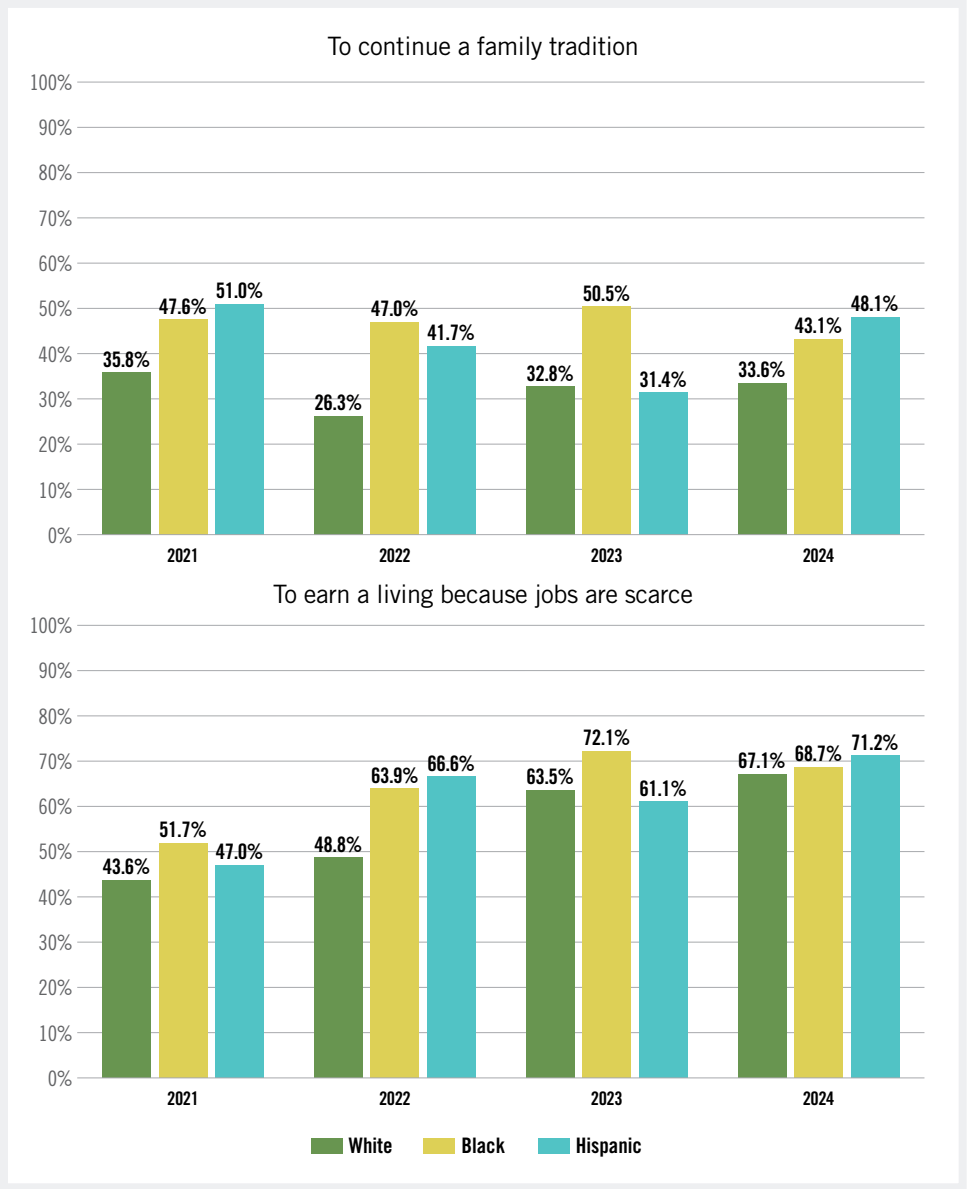
Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Entrepreneurial Motivations

In all years except 2022, Black and Hispanic entrepreneurs were more likely than their White counterparts to report that they engaged in entrepreneurship to make a difference in the World (Figure 56). This suggests that these individuals see entrepreneurship as a tool for social change.

In addition, although many entrepreneurs in all three groups saw entrepreneurship as a way to build wealth and increase their income, this belief was particularly high among Black and Hispanic respondents compared to White respondents. Similarly, a greater proportion of Hispanic and Black people (compared to White people) indicated that they undertook entrepreneurship to continue a family tradition. These responses are in line with a greater proportion of Black and Hispanic respondents (compared to White respondents) reporting that they know an entrepreneur, implying that these affiliations are with family members. Moreover, while in most years a greater proportion of Black and Hispanic respondents (compared to White respondents) indicated that they started their business because jobs are scarce, an increasing proportion of White respondents have reported this motivation over the 4-year period.

Figure 56 Continued: Motivations among entrepreneurs in the United States by racial/ethnic group, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Summary

Entrepreneurship is regarded positively by Black, Hispanic, and White individuals as a good career choice, as well as for the media attention it generates. Yet, while Black people showed the greatest confidence in their ability to perceive entrepreneurship opportunities and start a business, this does not seem to translate into an advantage in the ownership of an established business.

In addition, while intentions and TEA were higher among Black and Hispanic people than White people, business closures were also higher. This may suggest a mismatch between entrepreneurial intentions and what is required to build an established business or persist in entrepreneurship. The greater proportion of Black and Hispanic people reporting that they engage in entrepreneurship as an alternative to unemployment, for example, could indicate that they are likely to leave entrepreneurship once they find a better option to earn a living in paid employment.

SUSTAINABILITY IN ENTREPRENEURSHIP: Renewed Social and Environmental Focus

08

Rohit Nayak—Co-Founder, Beacon Climate Innovation

Passionate about advancing the clean energy transition, Rohit Nayak is dedicated to using it as a tool to combat the climate crisis. Beacon Climate Innovation (BCI) leverages its Community Energy & Efficiency Resource Universal Mapping (CEERUM) platform to help municipal light plants efficiently plan and execute decarbonization and energy resilience projects. With community-driven solutions, BCI aims to create lasting, systemic change and build resilience against the extreme weather events that are expected to increase due to climate change.

Introduction

A year before the end of the first quarter of the century, there is evidence to suggest that the perspective of entrepreneurs on the use of world resources is shifting from a take-make-use model to a more circular one that considers both social and environmental sustainability. In 2024, entrepreneurs and established business owners stepped up their activities in prioritizing social and environmental impact above profitability or growth, and they reported that they have increased these efforts by acting to both minimize the environmental impact of their businesses and maximize their social impact.

World events have seemingly influenced both entrepreneurs and established business owners. Over the course of 2024, one half of the global population, living in over 70 countries with an estimated 2 billion eligible voters, participated in national elections, making 2024 the "largest election year in history."[2] Weather events attributed to climate change increased around the globe as global warming advanced from January to September by 1.54°C above the pre-industrial level,[3] already reaching the maximum level determined by the Paris Agreement of 1.5°C by 2100.[4] Sea-level rise, glacier loss, greenhouse gas increases, and weather extremes affected more people than ever before. As part of an effort to develop the global ecosystem on climate change, during the 2024 United Nations Climate Change Conference (COP 29), which concluded on November 24, 2024, a new climate finance goal of at least $300 billion per year by 2035 was set to build infrastructure addressing climate change initiatives in developing countries.[5]

The GEM U.S. data show that a change is underway with most entrepreneurs taking environmental and social innovation into account in their priorities, decisions, and actions. The issue before entrepreneurs, established business owners, and policymakers is how to define innovation and growth in a symbiotic way that supports the planet's ecosystem. Seeing that damage will increase without more sustainable business models, entrepreneurs are increasing their focus on social and environmental sustainability.

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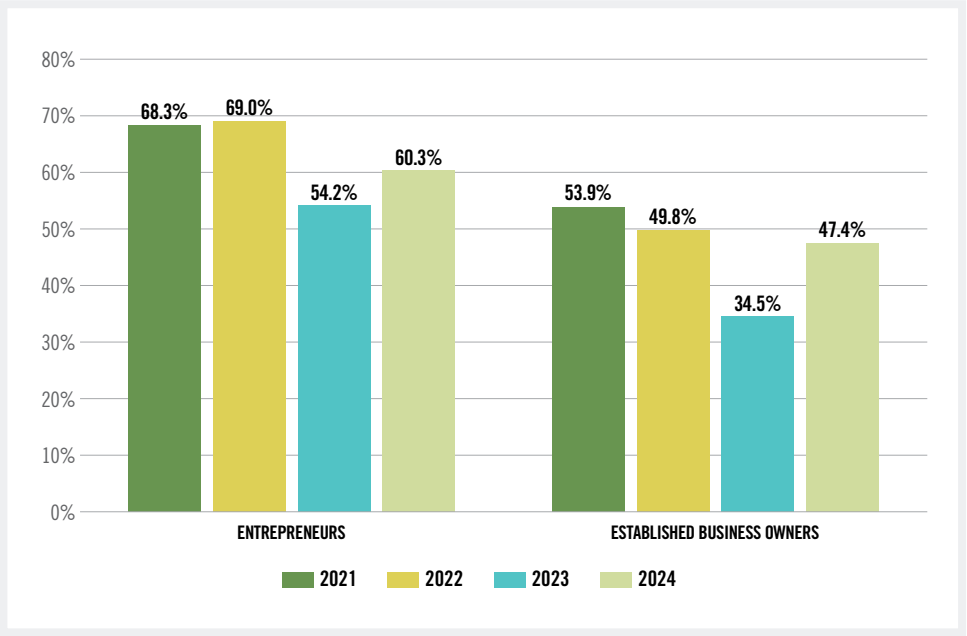
[2] Aaron O'Neill, "Global Elections in 2024: Statistics & Facts," Statista, November 9, 2024, https://www.statista.com/topics/12221/global-elections-in-2024/.

[3] World Meteorological Organization, "2024 Is on Track to Be Hottest Year on Record as Warming Temporarily Hits 1.5°C," press release, November 11, 2024, https://wmo.int/news/media-centre/2024-track-be-hottest-year-record-warming-temporarily-hits-15degc.

[4] United Nations, "The Paris Agreement," https://unfccc.int/process-and-meetings/the-paris-agreement.

[5] World Resources Institute, "Statement: COP 29 Finance Deal a Downpayment for a Safer, More Equitable Future," November 23, 2024, https://www.wri.org/news/statement-cop29-finance-deal-downpayment-safer-more-equitable-future.

Figure 57: Percentage of entrepreneurs and established business owners in the United States who stated they prioritized the social and/or environmental impact of their business above profitability or growth, 2021–2024



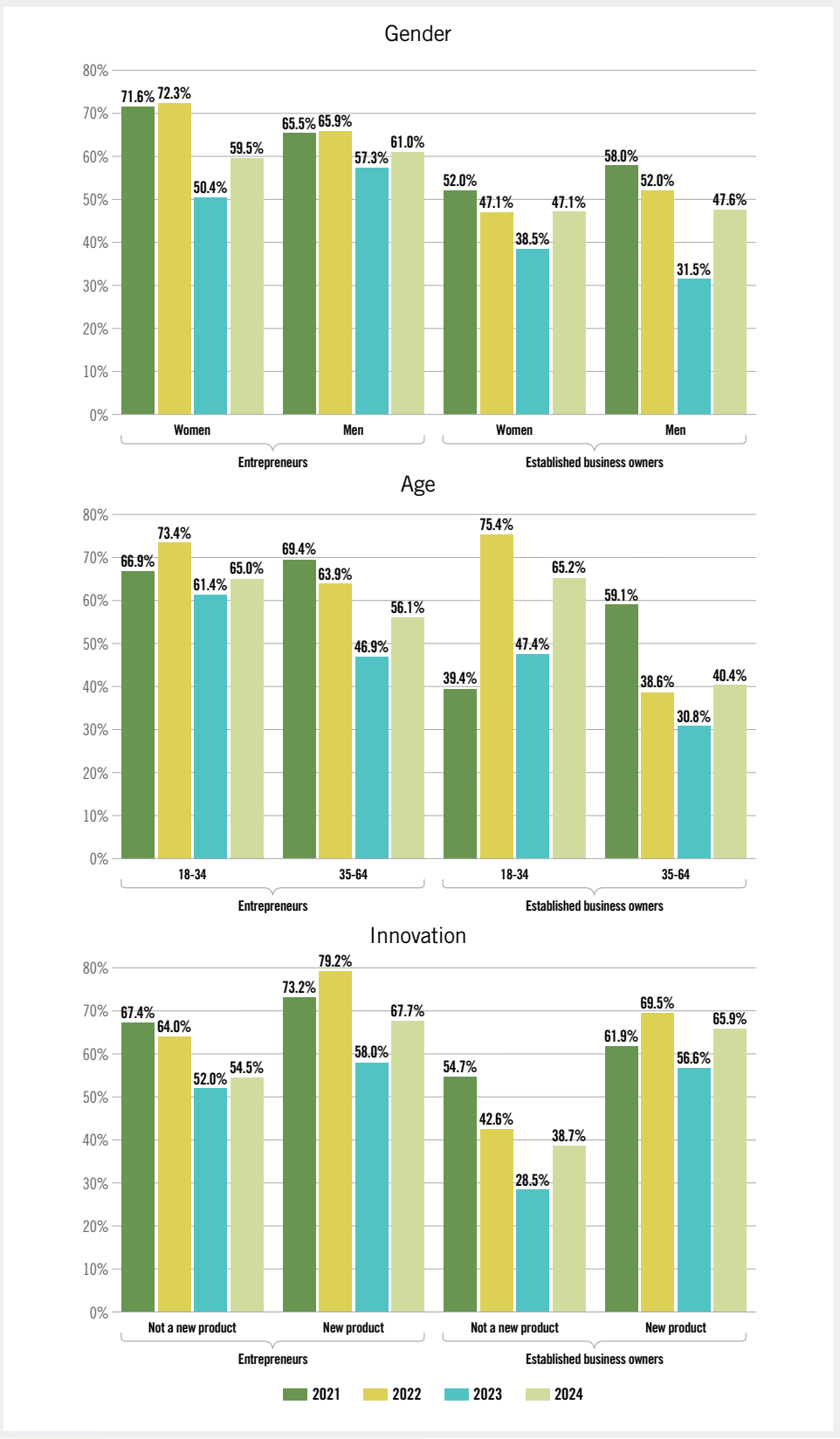
Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Prioritizing Social and Environmental Impact, and the Role of Entrepreneurs

Following 2021 and 2022, which were banner years for both entrepreneurs and established business owners in stating they prioritized the social and/or environmental impact of businesses above profitability and growth, interest in these areas dropped significantly in 2023. However, during 2024, entrepreneurs and established business owners renewed these efforts, increasing their prioritization of social and environmental impact over growth or profitability (Figure 57).

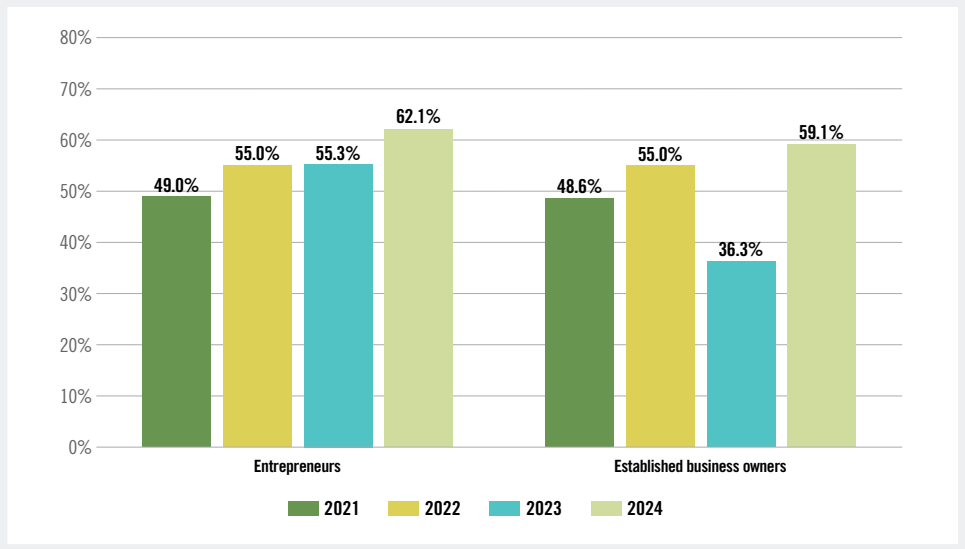
The results were similar for both men and women entrepreneurs in 2024: in particular, the social and environmental impact priorities of men established business owners increased by about one half to match those of women (Figure 58). Significantly higher proportions of younger entrepreneurs and established business owners indicated this priority (about two thirds), compared to their older counterparts, with older established business owners representing the lowest level on this indicator. Social and environmental concerns were apparent among those with innovative new products, with around two thirds of both entrepreneurs and established business owners citing these as a priority.

Figure 58: Percentage of entrepreneurs and established business owners in the United States who stated they prioritize the social and/or environmental impact of their businesses above profitability or growth by gender, age, and innovativeness, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Figure 59: 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, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

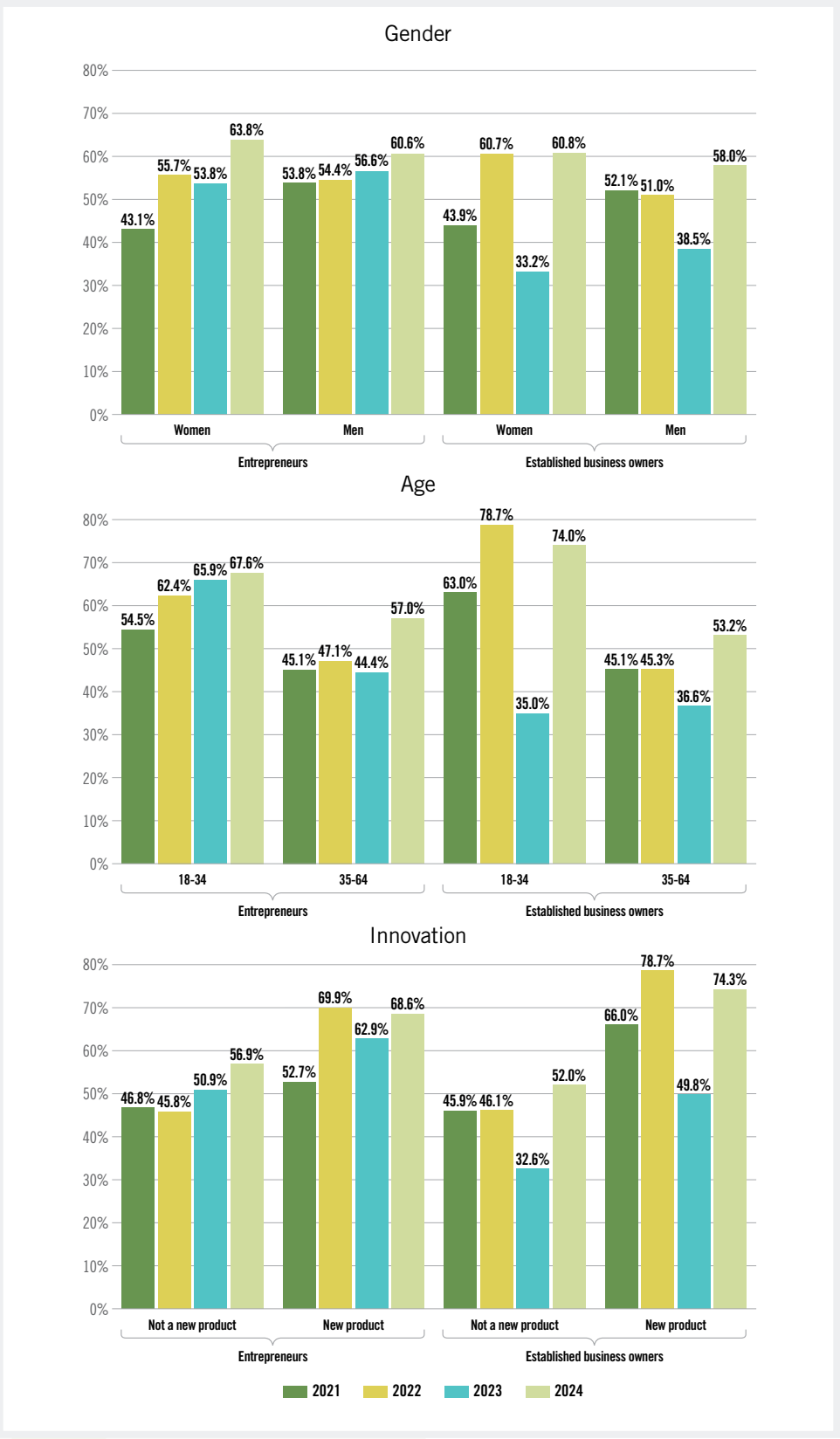
Steps to Minimize Environmental Impact

Although entrepreneurs and established business owners indicated that they gave a higher priority to social and environmental impact in 2021 and 2022 than in 2024 (as shown in Figure 57), they reported taking more steps to minimize their environmental impact and maximize their social impact in 2024 than in any previous year.

Both entrepreneurs and established business owners increased their commitments to the environment in 2024 by stepping up their actions in areas including introducing measures to save energy and reduce carbon emissions, developing more efficient machinery and process methodologies in production, managing waste, using recyclable materials (especially in packaging), and employing alternative means of distribution and transportation. Entrepreneurs steadily increased their efforts in these areas over the 2021–2024 period, with almost two thirds reporting they had done so in 2024, while the proportion of established business owners indicated they had done so recovered from a steep decline in 2023 (Figure 59).

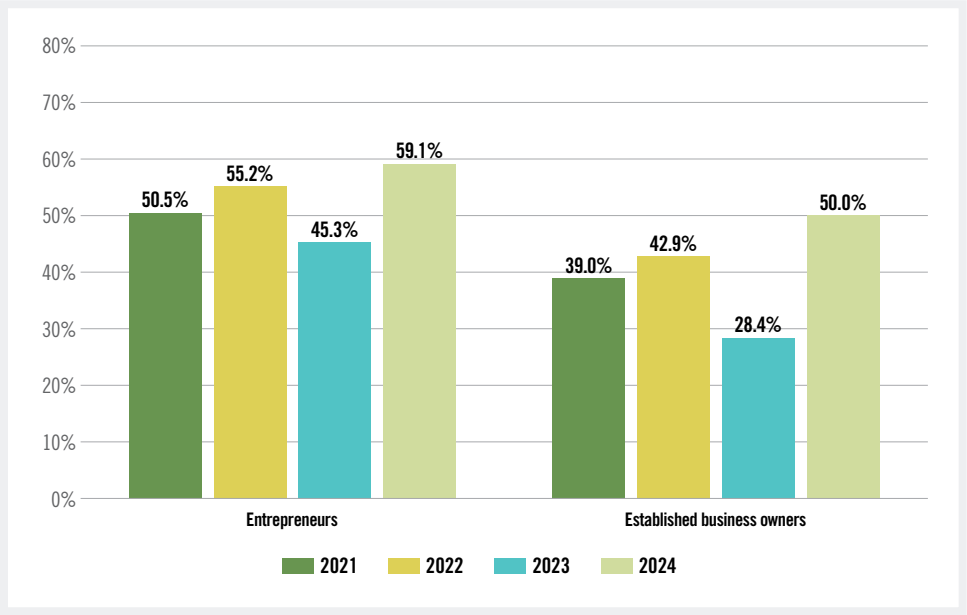
Nearly two thirds of women and men entrepreneurs and established business owners took steps to minimize the impact of their business on the environment (Figure 60). Once again, there were age differences, with a higher proportion of younger entrepreneurs and established business owners reporting taking action to protect the environment compared to their older counterparts. Two thirds of young entrepreneurs (aged 18–34) and three fourths of young established business owners reported taking such action. Meanwhile, more than half of older entrepreneurs and established business owners (aged 35–64) reported they had done so. As expected, innovative entrepreneurs and established business owners were more likely to have taken actions to protect the environment, compared to those without innovative offerings.

Figure 60: 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, age, and innovativeness, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Figure 61: 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, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

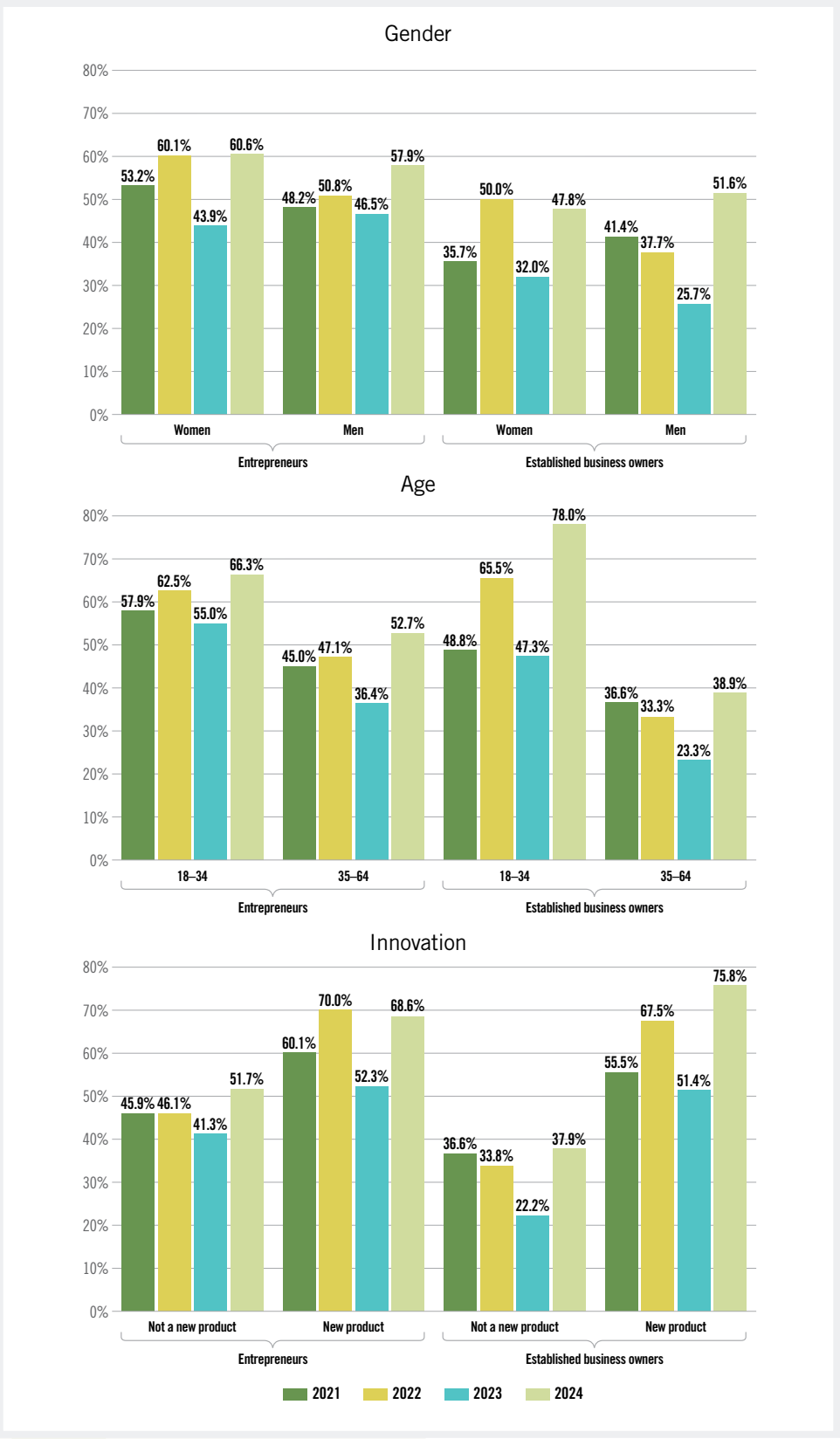
Steps to Maximize the Social Impact of Business

Steps to maximize the social impact of business may include creating jobs for unemployed young people and other groups with limited access to the labor market, including social enterprises in the business supply chain, ensuring a diverse workforce, prioritizing suppliers who take actions that respect human rights, fighting any form of child or slave labor, investing in or supporting projects or social organizations that develop the community and are inclusive, and creating the means for those in less-favored groups to access capital or other ecosystem support.

In 2024, entrepreneurs and established business owners increased their focus on steps to maximize the social impact of their businesses. Nearly six in ten entrepreneurs and half of established business owners stated they had taken action with positive social consequences in mind (Figure 61).

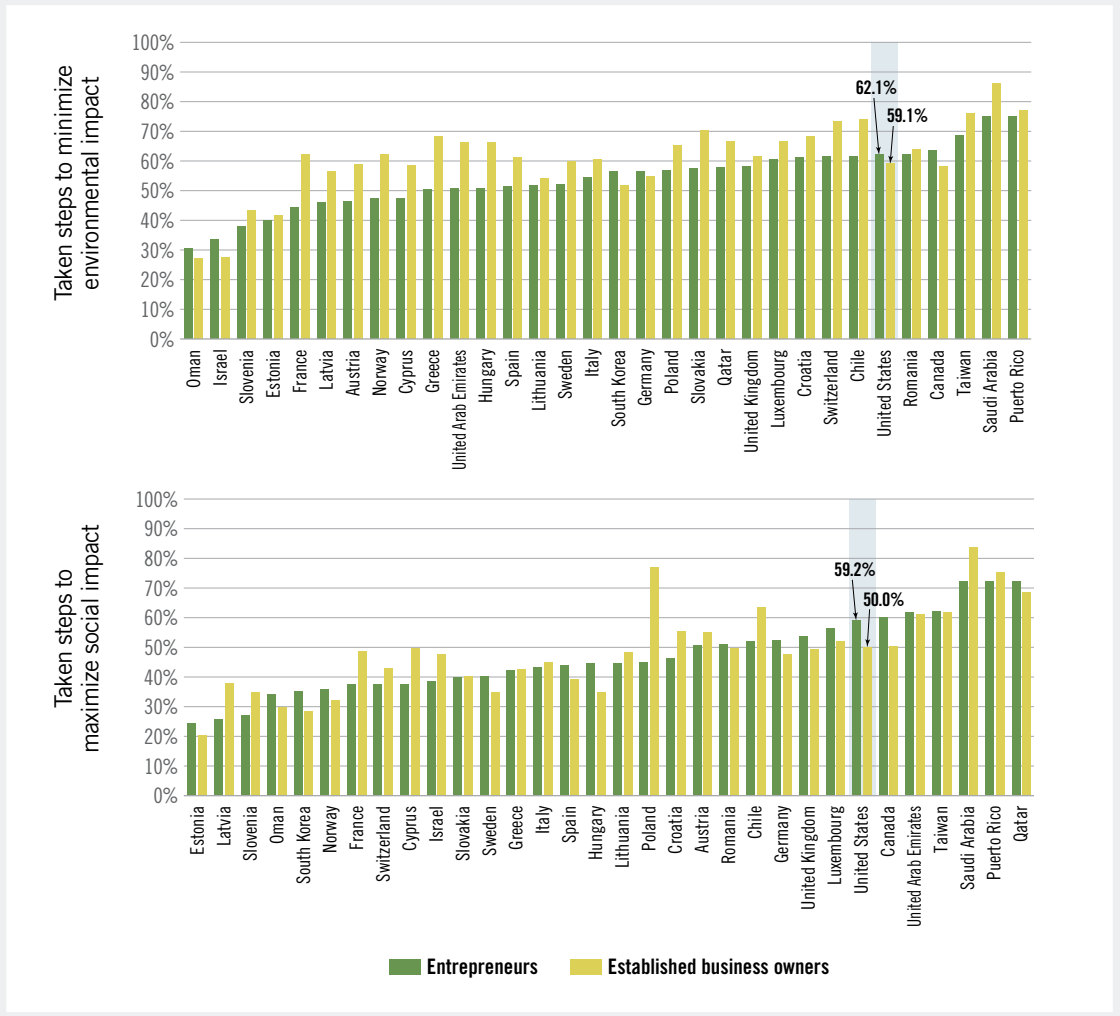
Both women and men entrepreneurs increased efforts toward social impact in 2024 compared to the previous year, with around six in ten indicating these actions. Among established business owners, around half of women and men took steps to maximize their social impact (Figure 62). Once again, younger entrepreneurs and established business owners led the way in social awareness, with two thirds of young entrepreneurs and over three quarters of young established business owners taking steps with social benefit in mind. Those with new product innovations also led the way in implementing socially minded practices, with over two thirds of innovative entrepreneurs and over three quarters of innovative established business owners indicating these actions.

Figure 62: 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, age, and innovativeness, 2021–2024



Source of data: Global Entrepreneurship Monitor, United States, 2021–2024.

Figure 63: Percentage of entrepreneurs and established business owners in 32 high-income economies who stated they have taken steps to minimize their environmental impact or maximize the social impact of their business in the past year, 2024



Source of data: Global Entrepreneurship Monitor, 2024.

Summary

Global challenges during 2024 have highlighted growing interdependencies throughout the world as climate change and other worldwide concerns have affected a larger proportion of the population. As these interdependencies increase, it will be important to build a global entrepreneurship ecosystem that contributes to increased sustainability and renewable resources, as well as to social advancement and wellbeing. Entrepreneurs and established business owners are increasingly prioritizing the social and/or environmental impact of their businesses above profitability or growth, and taking steps to minimize the environmental impact and maximize the social impact of their businesses.

New technologies, such as AI, are becoming available for innovators to develop and implement more effective social and environmental practices. These technologies include providing improved methods to renew resources, manage supply chains, and develop greater precision in forecasting sales. This would enable a more accurate matching of supply and demand, which could lead to methods to reduce and/or regenerate waste. The goals of entrepreneurs, established business owners, and policymakers are changing. There are signs that climate impact and other shared global concerns are pushing innovators to transition to an economy that supports the sustainability of nature's resources, global health, and, perhaps ultimately, the development of a new definition of growth.

CONCLUSIONS AND IMPLICATIONS

CONCLUSIONS

1 High TEA rates bode well for future business, but continued low levels of EBO from 2023 and 5 years of high business-closure rates warrant further examination. GEM is a "point in time" measure of entrepreneurship annually and, therefore, does not, for example, follow entrepreneurs over time to determine whether they stay in business. However, persistent low levels of EBO and high levels of closure activity, even with prior high levels of TEA, could indicate issues with sustaining businesses. And with nearly one third of those closing businesses citing unprofitability or problems obtaining financing, it may be worth examining access to finance in early stages and for the range of business types composing entrepreneurship in the United States.

2 The shift toward younger entrepreneurs could potentially explain high TEA rates accompanied by low levels of EBO and high levels of closure. It could be the case that young people have the ambitions to start a business and, on the plus side, they are experimenting and abandoning ventures that are not working out, which can provide valuable learning for their next steps. But, on the minus side, at least some may be at a disadvantage with less experience and little access to key networks and resources. If this is indeed the case, it is important to identify how to help young people build their new ideas into viable ventures.

3 Active-duty military personnel are pursuing entrepreneurship, and high rates of both military personnel and veterans are running mature businesses. Being your own boss may represent an attractive opportunity for those who have spent years in the armed forces and, perhaps, for those needing flexibility—such as those serving part-time or on-call for activation or deployment, or those with disabilities that could pose challenges for traditional employment. This suggests a need for further research into the nature of entrepreneurship and business ownership among those who have served—and are currently serving—their country and the means of supporting their entrepreneurial ambitions.

4 It is, perhaps, curious why Americans born abroad are more likely to be entrepreneurs or established business owners than those born in the United States or immigrating from another country. It could be worthwhile to examine further how foreign-born citizens may combine a diversity of life experience with knowledge of their home country.

5 Expanded data collection in 2024 has enabled, for the first time in the history of GEM U.S., an examination of regions across the country. In previous years, select U.S. states were oversampled, providing an enlightening look at differences in entrepreneurship across a handful of states around the country. A key aim of the GEM team is to continue with more finely grained regional analyses, with a vision to increase the sample size to examine all 50 states in the future. This should increase the engagement of regional and state-level policymakers and practitioners, and expand opportunities for researchers.

6 All entrepreneurs are critical to the U.S. economy, with even small employers collectively having substantial impact and all types of entrepreneurs contributing to the U.S. economy in terms of aspects such as job creation and global competitiveness, and the innovations and emergence of industries that advance society. The United States is known for its support of technology and high-growth enterprises and the particular approaches that enable this category of entrepreneurs to flourish, as well as the resourcefulness of those starting all kinds of business. As changes in technology, domestic and global politics, and the environmental and social context affect society, it will be important to understand how this affects the work of entrepreneurs and, in turn, the impact they can have on the United States and the rest of the world.

7 The value of keeping viable businesses afloat can be inferred from the current employment levels reported by established business owners. With EBO declining and business closures rising, supporting not just those starting up but also those running mature businesses is of critical importance to stability in the job market, continuity in the products and services on which customers rely, and the range of stakeholders who depend on these businesses.

8 The results on digital technologies and AI reveal the importance of these technologies to the operations and business models of entrepreneurs and established business owners. Established business owners lagged slightly behind entrepreneurs, perhaps indicating a need for services that help them deploy these technologies in mature operations and long-established business models. This may be critical for these business owners to stay competitive as technology increasingly determines a large part of the basis of their longevity.

9 The concerns and optimism expressed about AI in this report indicate a number of opportunities to provide entrepreneurs and established business owners with tools that can ensure data security, enhance decision-making, improve operational productivity, grow revenues, and develop new offerings for customers.

10 It is a little curious that levels of positive societal attitudes reached the highest point in the United States in 2024, but only 57% of Americans perceived it is easy to start a business and fear of failure remained persistently high. It may be that this reflects how entrepreneurship is celebrated broadly but is not necessarily something everyone would wish to pursue. It may, instead, be worthwhile to focus on turning positive attitudes into support for entrepreneurship as a way to boost the entrepreneurship ecosystem and develop stakeholders for entrepreneurs.

11 Although many Americans invest in entrepreneurs, it remains a concern that few investments go to women entrepreneurs and, in most cases, only when the investor is also a woman. Informal investment is often a critical need at the nascent stage, and these findings indicate a need for greater involvement of women in the entrepreneurial finance community and more tools for women entrepreneurs to navigate financing challenges.

12 Women entrepreneurs have significant impact on the U.S. economy with their high levels of participation and impact. But they also exhibit unique characteristics—for example, their different industry profiles, compared to men. Ensuring that the entrepreneurship ecosystem can support their unique needs will be critical in ensuring that women entrepreneurs continue to thrive and benefit U.S. society.

13 High levels of positive attitudes and participation by Hispanic and, even more, by Black Americans highlight the importance of recognizing that entrepreneurship comes in many forms. It is encouraging that EBO rates among Black people were level with White people in 2024; yet given high TEA rates among the former, higher EBO levels may be expected. In addition, EBO continues to be low in the Hispanic group. This points to the importance of delving further into any challenges a particular societal group faces in maintaining their businesses, whether these are due to conditions in the entrepreneurship ecosystem, types of business, the market served, or other factors.

14 GEM has included questions on social and environmental sustainability since 2021, and the 2024 results show the highest levels of entrepreneurs and established business owners taking actions to protect the environment and improve social welfare; this is especially the case among younger age groups and those introducing innovations. This highlights the attention these individuals can and should garner in combating environmental degradation and boosting the wellbeing of people in the United States and around the world.

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Donna Kelley, PhD, is Professor of Entrepreneurship, Chair of the Entrepreneurship Division, and the Frederic C. Hamilton Chair of Free Enterprise at Babson College. A frequent presenter on the topic of global entrepreneurship, Prof. Kelley has spoken at the United Nations, the U.S. State Department, the World Bank, the U.S. Census Bureau, the Republic of Korea's Small and Medium Business Administration, and the National Governors Association and for many other executive, policy, and academic audiences around the world. She served on the Board of Directors for the Global Entrepreneurship Monitor (GEM) from 2007 through 2021, and is co-leader of the GEM United States team. Prof. Kelley has co-authored over 35 GEM reports on global entrepreneurship, women's entrepreneurship, family entrepreneurship, entrepreneurship education and training, high-impact entrepreneurship, and entrepreneurship in the United States, the Republic of Korea, Saudi Arabia, and Africa.

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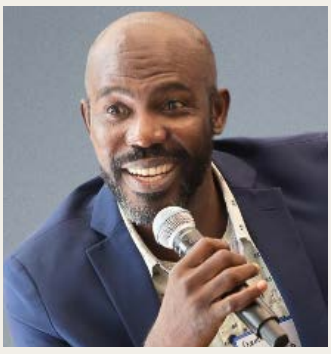
Caroline Daniels, MBA, PhD, is Associate Professor of Practice at Babson College and founder and lead faculty of the Fashion Entrepreneurial Initiative. Dr. Daniels teaches courses in Strategy & Analytics, Future Trends, Entrepreneurship, and the Fashion Industry. She has a BLS in Literature from Boston University, an MBA from the Massachusetts Institute of Technology Sloan School, and a PhD from the London Business School. She has authored two books on globalization and information technology, several articles on transformation in business, chapters on entrepreneurship for educational texts, business cases, and many strategy and country reports for the Economist Intelligence Unit. She has received the International Association of Management Consulting Firms Award for Literary Excellence and speaks at conferences. Her action research focuses on business model transformation, fashion, entrepreneurship, technology, environment, and climate change.



Dr. Daniel Auguste is an Assistant Professor in the Entrepreneurship division at Babson College. Previously, he was an Assistant Professor of Sociology and Management at Florida Atlantic University and an MLK Visiting Assistant Professor at MIT Sloan School of Management. He is a faculty affiliate at the Social Policy Institute at Washington University in St. Louis. Daniel holds a BA in Economics from Covenant College and an MA and PhD in Sociology from the University of North Carolina at Chapel Hill. His research integrates stratification theory with entrepreneurship, focusing on how wealth and labor market inequality impact new venture creation and growth. He has received awards from the Russell Sage Foundation and the Institute for Research on Poverty. Daniel also co-founded a non-profit organization caring for orphan children in Port-au-Prince, Haiti.

Diana M. Hechavarria, PhD, is a Professor of Entrepreneurship at Babson College, specializing in nascent entrepreneurship, with a focus on gender, underrepresented founders, and social entrepreneurship. A Global Entrepreneurship Monitor (GEM) expert, Dr. Hechavarria was instrumental in harmonizing and disseminating GEM data via the ICPSR (Inter-university Consortium for Political and Social Research), enhancing its accessibility for global entrepreneurship research and policy development. She has authored GEM reports for the U.S. and Australia teams and applies GEM insights to policy briefs for the Diana International Research Institute at Babson College. Her research is published in leading academic journals, including the Journal of Business Ethics, Journal of Business Venturing, Entrepreneurship Theory & Practice, and Strategic Entrepreneurship Journal.

2024 National Expert Survey (NES)

The GEM United States Report relies primarily on data from over 11,000 respondents to the Adult Population Survey (APS). The research team is also informed by a select group of participants who respond to the National Expert Survey (NES). Experts can include entrepreneurs, individuals in roles supporting entrepreneurship (e.g., lawyers, consultants, accountants, professors), government officials, infrastructure experts, investors, lenders, educators, researchers, journalists, and professionals from many other areas whose work impacts or is impacted by entrepreneurial activity. These experts provide contextual insights on various facets that compose the entrepreneurial climate in a particular country (e.g., finance, government policies and programs, education and training, R&D transfer, commercial and physical infrastructure, internal market openness, and social and cultural norms). The GEM USA team would like to recognize the following individuals who served as experts for our 2024–2025 report:

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- Jack Huffard, Board Member/Co-Founder, Tenable
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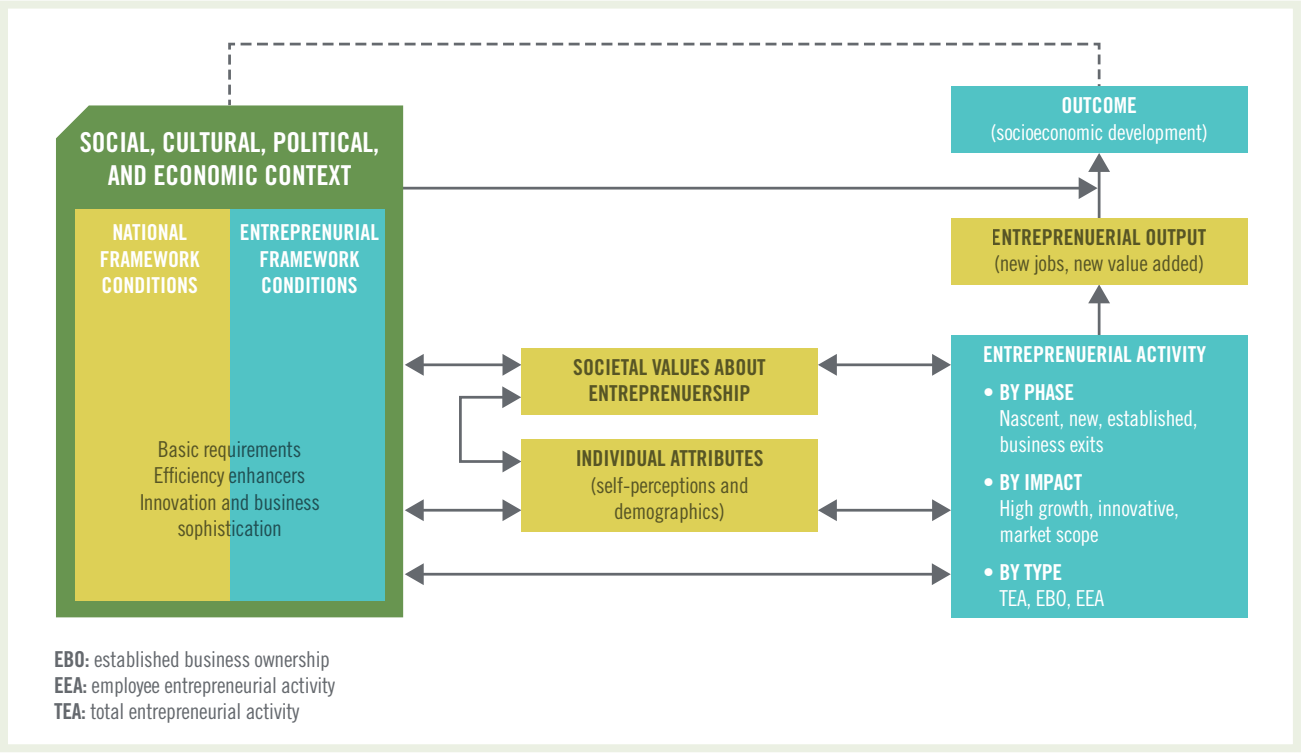
- James Richardson, Associate Professor, University of Hawaii College of Business
- Michael Shuman, Publisher, The Main Street Journal
- Morgan Slemberger, Senior Director, Rural Entrepreneurship and Leadership for Women Co-Lab, University of Montana
- Mark Sowinski, Executive Director, Morgan Stanley
- Thomas Swenson, Founder/Owner, Bank of Montana
- Lex Tarumianz, Angel Investor, Blank Slate
- David Ure, Chairman/Founder, Inanovate
- Paige Williams, Impact Director, REAL Women Co-Lab, University of Montana
- Dr. Shakenna K. Williams, Executive Director, Babson College

APPENDIX: Background to the Global Entrepreneurship Monitor (GEM)

Figure A1: The GEM Conceptual Framework



Source of data: Global Entrepreneurship Monitor, Global Report 2024–2025.

GEM is an annual global entrepreneurship research project in which the Adult Population Survey (APS) and National Expert Survey (NES) are administered by research teams in each participating economy. With its 2024 survey, GEM celebrates 26 years of collaborative research on entrepreneurial activity around the world. What began with just 10 participating economies in 1999 has grown to become the world's largest and longest-running study of entrepreneurship. Since its founding, GEM has become the most trusted and frequently used source of entrepreneurship data and information among researchers, educators, practitioners, and policymakers.

Figure A1 illustrates the GEM Conceptual Framework. It depicts the interaction between the decision to establish a new firm and the entrepreneurship environment that influences that decision and its execution, both directly (by resource availability) and indirectly (via social goals and values). The relevant environment may be local, regional, or national, or a combination of the three, depending on the nature and size of the new firm.

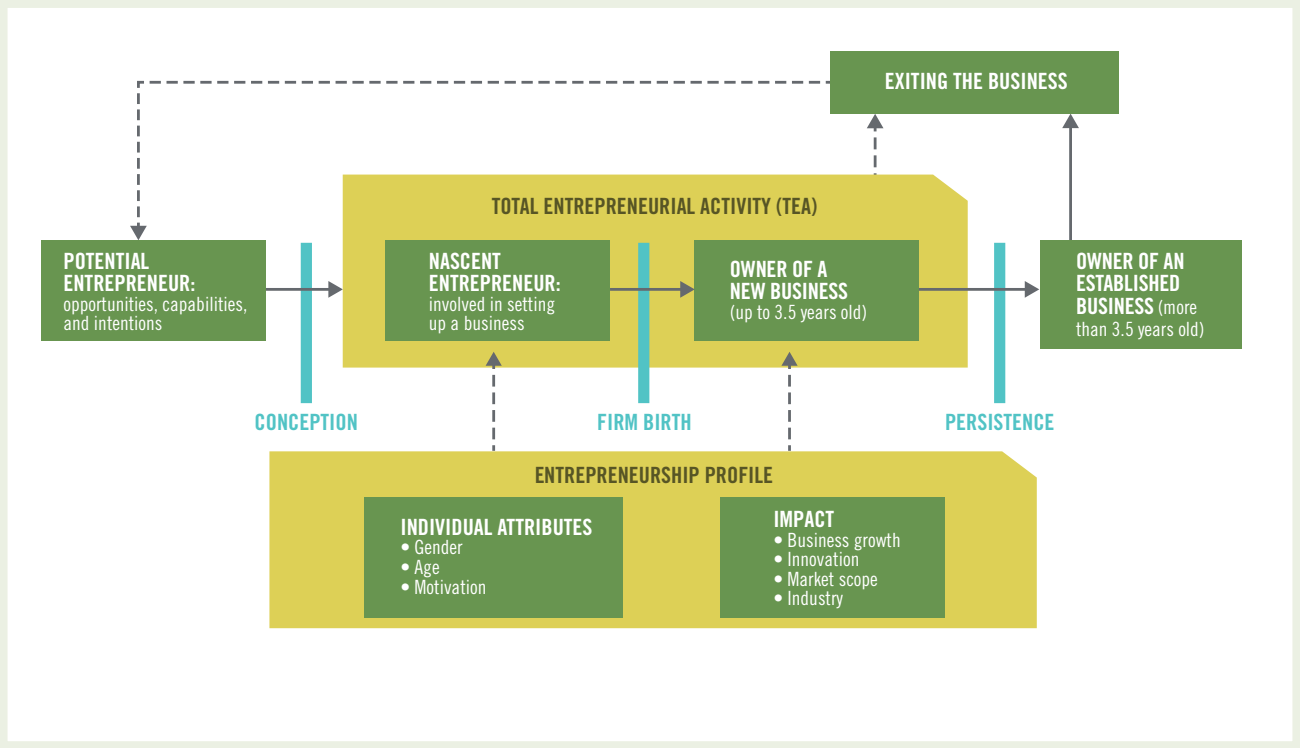
The decision to start a business is then placed within a social, economic, and political framework, which influences the decision in terms of variables such as sector selection, scope of operations, and degree of ambition and innovation. These characteristics, in turn, influence how the new firm affects other elements such as employment creation, value addition, and, eventually, economic development. At the same time, many actions involved in launching new enterprises may begin to influence societal values, resulting in more positive attitudes toward entrepreneurship and, ultimately, influencing potential new entrepreneurs.

GEM celebrates

26 years

of collaborative research

Figure A2: The entrepreneurship process and GEM indicators



Source of data: Global Entrepreneurship Monitor, Global Report 2024–2025.

GEM employs two primary research tools: the APS, which is a random sample of at least 2,000 individuals in each participating economy, and the NES, which includes at least 36 national experts per economy. The APS identifies the percentage of adults who are in the process of starting or are already running new enterprises, less than 42 months old, represented as total entrepreneurial activity (TEA).

Those owning and managing businesses 42 months old or older are identified as established business owners. For those who identify as entrepreneurs or established business owners, additional questions are asked about their motivations and ambitions, and the characteristics of their businesses. Additionally, all respondents answer questions about societal attitudes, affiliations, and self-perceptions regarding entrepreneurship, as well as their intentions to start a business in the future.

In each participating economy, the APS is overseen by a GEM national team, which often comprises academics from major institutions, but can also include people from other entities with an interest and competence in entrepreneurship. A central technical and administrative team oversees the survey process and compiles the results, providing a globally comparable dataset.

After the Global Report is issued each year, national teams create and publish (online) their own national reports. GEM reports are posted on the GEM website (https://www.gemconsortium.org). GEM may add extra questions to the survey to explore particular topics pertinent to entrepreneurship. The uniformity of the questions in the GEM surveys—across nations and over time, and asked of a large random sample of adults and a variety of experts in each participating economy—makes GEM a valuable resource for policymakers and academic researchers.

Many approaches are used to determine the level of entrepreneurship in an economy. Most government statistics use new firm or tax registrations as a measure of entrepreneurship. These are undoubtedly useful but rely on new enterprises being officially registered. In many economies, particularly less developed ones, new firm registrations may account for only a small share of

new businesses. This could be for a variety of reasons. For example, a business may begin informally and be very small; an owner may be waiting to see if the business works; or the registration process may be costly, complicated, or overly bureaucratic.

Another metric used to determine the level of entrepreneurship is the number of self-employed people; many of these individuals—such as journalists, musicians, and taxi drivers—work only for themselves and, initially, may not consider that they are running a business. The GEM approach circumvents the challenges of collecting comprehensive data by being population-based and assuring anonymity, thus capturing activity in the informal economy in a way that official statistics cannot. This is a major differentiating factor for GEM in comparison with other studies.

Figure A2 illustrates how GEM leverages APS data to estimate key entrepreneurship variables. The APS includes a question about whether an individual has spent resources (including their own time) to establish a business, such as looking for a location and developing a business strategy. If the response is yes, a follow-up question asks if the business has paid any wages or salaries, including to the owner, and, if so, for how long. If wages have been paid for less than 3 months, GEM considers the business to be a nascent firm and the individual to be a nascent entrepreneur. If wages have been paid for 3 months or more but for less than 3.5 years, GEM considers the firm to be a new business and the individual to be a new business owner. TEA is calculated by adding together the number of nascent and new business owners. If wages have been paid for at least 3.5 years, GEM considers the business to be an established firm and the individual to be an established business owner.

Figure A2 also depicts the entrepreneurship timeline, from potential entrepreneurs identifying new opportunities to pursue to when they begin expending resources to become nascent entrepreneurs and, finally, to when they become new business owners after paying wages for 3 months. Of course, an entrepreneur may leave the business at any time, and it may or may not continue without them. If the new business survives long enough, it will become established.

The decision to establish a new firm is made within a specific context, which can either assist or hinder the startup and growth of a business. As such, the NES supplements the APS by providing insights into the quality of the environment within which entrepreneurial activity occurs. Each participating national team surveys at least 36 national experts who rate the quality of the following 13 framework conditions:

A1. Entrepreneurial finance

A2. Ease of access to entrepreneurial finance

B1. Government policy: support and relevance

B2. Government policy: taxes and bureaucracy

C. Government entrepreneurship programs

D1. Entrepreneurship education at school

D2. Entrepreneurship education post-school

E. Research and development transfer

F. Commercial and professional Infrastructure

G1. Ease of entry: market dynamics

G2. Ease of entry: burdens and regulations

H. Physical infrastructure

I. Social and cultural norms.

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