Global Entrepreneurship Monitor

United Kingdom 2010 Monitoring Report

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Disclaimer

This report is based on data collected by the GEM consortium and the GEM UK team; responsibility for analysis and interpretation of the data is the sole responsibility of the authors.

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Executive Summary

[1] This differs slightly from the 2010 GEM Global Report (6.42 versus 6.47) because the Global report did not weight for ethnicity. In 2010, respondents in mobile-only households were sampled for the first time. Comparing like-for-like respondents, i.e. in households with a fixed line telephone, the TEA rate was 5.6 compared with 5.8 in 2009. Thus any apparent rise in TEA in 2010 can partly be attributed to the inclusion of mobile only households in the sample design. A more detailed note is provided in Appendix 1.

- In 2010, the Global Entrepreneurship Monitor (GEM) research consortium measured entrepreneurial activity of individuals in 59 economies, making it the world's most authoritative comparative study of entrepreneurial activity in the general adult population. In 2010, 10,403 adults aged 16 to 80 participated in the GEM UK survey.

- This monitoring report compares Global Entrepreneurship Monitor (GEM) measures of entrepreneurial attitudes, activity and aspirations in the UK, participating G7 countries, and the four home nations of the UK. It also examines the views of entrepreneurs on the impact of the global recession on their own businesses.

- Overall, a recovery of entrepreneurial attitudes and intentions to 2008 levels was evident in 2010 after a slight dip in 2009.

- In the UK, 7.3% of working age adults expected to start a business within the next 3 years in 2010, compared with 10.4% in the US and 8.5% across participating G7 countries.

- Total early-stage entrepreneurial activity or TEA (the sum of the nascent entrepreneurship rate and the new business owner-manager rate - without double counting) in the UK in 2010 was 6.5%[1]. The UK TEA rate closely tracked the G7 average from 2002 to 2008. However, in 2009 the G7 average fell while the UK rate was maintained, and this gap remained in 2010.

- The UK TEA rate has remained relatively unchanged in the period 2002-2010, ranging from 5.4% to 6.5% over that period. In contrast the US TEA rate has fallen since 2005, when it was over 12%. In 2010, the gap between the UK and the US was the lowest it has been as a result of falling TEA rates in the US: the UK TEA rate was around six sevenths (86%) of the US equivalent rate of 7.6% and above the G7 average of 5%.

- When surveyed in mid-2010, 3.2% of the adult population in the UK were actively trying to start a business (*nascent entrepreneurs*), compared with 4.9% in the US and 2.9% in the G7. Nascent entrepreneurship rates in the UK, US and the G7 average did not change significantly between 2009 and 2010.

- When surveyed in 2010, 3.4% of the UK working age adult population were owner-managers of a business that was 3 - 42 months old (*new business owner-managers*). This is unchanged on the 2009 estimate of 3.2%, and it compares favourably with the estimate for the US (2.8%) and the G7 average of 2.2%.

- In 2010, the proportion of the adult population who owned and managed a business older than 42 months (*established business owner-managers*) in the UK was 6.2%, similar to 2009 (5.8%). The average for the G7 was also virtually unchanged at 5.5% (5.6%) while the US rate returned to 2008 levels at 7.7% after a dip to 5.9% in 2009.

- The estimated proportion of working age people in the UK who discontinued a business (whether through closure or sale) in the past 12 months declined to 1.2% from 1.7%, while they increased slightly to 2.7% in the US. On average, discontinuations by entrepreneurs of businesses across G7 countries were the same in 2010 as in 2009 (1.4%).

- The proportion of UK TEA entrepreneurs reporting new product/market combinations and high growth expectations is close to the G7 average, while exporting propensity and high or medium technology sectoral choices are above the G7 average. Necessity-driven early-stage entrepreneurship in the UK is relatively low and remains broadly unchanged since 2009 (0.7%).

- In 2010, UK levels of female early-stage entrepreneurship were 44% of male early-stage entrepreneurial activity. This relative rate is slightly lower than in previous years and lower than the other five G7 countries measured except Japan. In 2010, levels of male early-stage entrepreneurship in the US declined to UK levels.

- The sub-national distribution of TEA rates in 2010 shows that Scotland (4.2%) has a significantly lower level of early-stage entrepreneurial activity than England (6.7%). The TEA rate for Wales was 5.8% and the TEA rate for Northern Ireland was 6.4%.

- Around half (53%) of UK early-stage entrepreneurs thought that starting a business was more difficult than a year ago, down from two-thirds (65%) in 2009. Around two-thirds (62%) of UK established business owner-managers thought that starting a business was more difficult than a year ago, down from around three-quarters in 2009 (76%).

- One quarter (25%) of UK early-stage entrepreneurs had lower expectations for business growth than a year ago, down from 44% in 2009. One third (33%) of established business owner-managers in the UK had lower expectations for growth, down from half (50%) in 2009.

- In 2010, the proportion of nascent entrepreneurs who tried but failed to secure funding from friends and family and other individuals was three times less than in 2009. However, the proportion reporting failure to secure unsecured bank loans, overdrafts and credit cards continued to increase for the fourth year running.

1 INTRODUCTION

1.1 SCOPE OF REPORT

This report compares Global Entrepreneurship Monitor (GEM) measures of entrepreneurial attitudes, activity and aspiration in the UK with participating G7 countries. It also summarizes entrepreneurial attitudes, activity and aspiration across the four nations of the UK and reports on entrepreneurs' perceptions of the effect of the global recession on their businesses, awareness in the UK of Global Entrepreneurship week, and the incidence of intrapreneurship among employees in the UK.

The GEM UK team continue to maintain the harmonized, pooled database of over 190,000 responses from individuals aged 18 to 64 for the period 2002 to 2010. Historical data for the UK in this report are based on this harmonized database. As a result, there may be small differences in point estimates of entrepreneurial attitudes, activity and aspiration in the UK between figures reported in previous years and those in this report.

1.2 GEM: HISTORY, PURPOSE AND MEASURES

The Global Entrepreneurship Monitor (GEM) research consortium has been measuring entrepreneurial activity of working age adults across a wide range of countries in a comparable way since 1998. In 2010, the study conducted surveys in 59 sovereign nations and represented the world's most authoritative comparative study of entrepreneurial activity in the general adult population.

GEM's primary focus is on the study of three areas:

1. To measure differences in entrepreneurial attitudes, activity and aspiration among countries
2. To uncover factors determining the nature and level of national entrepreneurial activity
3. To identify policy implications for enhancing entrepreneurship in an economy.

The 2010 GEM global study was based on an analysis of adult population survey (APS) results from 59 economies and more than 175,000 adults across the world. The core of the APS is identical in each country and asks respondents their *attitudes* towards entrepreneurship, if they are involved in some form of entrepreneurial *activity*, and if so what their *aspirations* for their business are. The global GEM Executive 2010 Report was published in January 2011[2] and can be downloaded from www.gemconsortium.org.

From the survey, we examine individual entrepreneurs at three key stages:

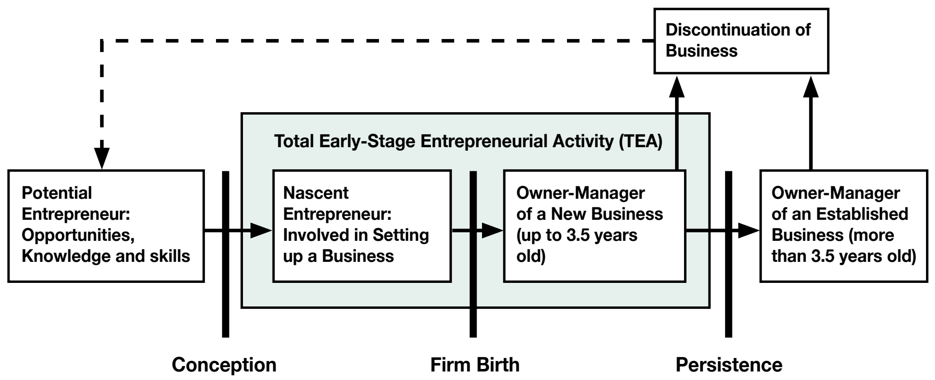
- Nascent entrepreneurs (NAE): The stage at which individuals begin to commit resources, such as time or money, to starting a business. To qualify as a nascent entrepreneur, the business must not have been paying wages for more than three months.
- New business owner-managers (NBO): Those whose business has been paying income, such as salaries or drawings, for more than three, but not more than forty-two, months.
- Established business owner-managers (EBO): Those whose business has been paying income, such as salaries or drawings, for more than forty-two months.

In addition, we measure general intention to start a business by asking individuals if they expect to start a business within the next three years (FUT). Finally, we ask individuals if they have sold, shut down, discontinued or quit a business, in the past year (BC). It is important to understand that the main subject of study in GEM is entrepreneurs rather than the businesses that they run. GEM measures the entrepreneurial activity of people from intention to exit. The first two stages of active business development, the nascent entrepreneur stage and the new business owner-manager stage, are combined into one index of Total early-stage Entrepreneurial Activity, or TEA[3], which is represented in Figure 1 below.

As much of this entrepreneurial activity is pre-start-up or includes very small new businesses that do not have to register, TEA rates will not necessarily match with published official statistics on business ownership and, indeed, should not be interpreted as such. Rather, GEM enables the measurement of the *propensity* of individuals in particular countries to be entrepreneurial *given* the current social, cultural and economic framework conditions that exist there.

The methodology, sample sizes and weighting systems used for the GEM UK 2010 adult population survey are explained in more detail in Appendix 1. An important change in the sample design was introduced in 2010 when 10% of respondents in each Government Office Region (GOR) were selected at random from households which had mobile phones but not fixed phone landlines. This change from a purely landline sampling methodology may be responsible for some of the apparent rise in the point estimates for many UK GEM measures in 2010. In this report, comparisons with other countries are made using the full sample, while time-based trends within the UK are made using the "like-for-like" landline-only respondents as well as the full sample. A full set of comparative tables with both sets of measures for 2010 is provided in Appendix 2. See Appendix 1 for further details on the implications of the growth in mobile only households for the GEM survey.

Figure 1:
The Entrepreneurial Process and GEM Operational Definitions
(Source: Kelley et al., 2011, p.13)



2 Kelley, D., Bosma, N. and Amorós, J.E. (2011) Global Entrepreneurship Monitor 2010 Global Report. London: Global Entrepreneurship Research Association.

3 TEA is calculated in an identical way in each country. A telephone and/or face-to-face survey of a representative sample of the adult population in each country is conducted between May and September. Respondents are asked to respond to three questions that are the basis of the TEA index: 1) "are you, alone or with others, currently trying to start a new business?", 2) "are you, alone or with others, currently trying to start a new business as part of your normal work?", and 3) "are you, alone or with others, currently the owner or manager of a business?" Those who respond positively to these questions are also asked filter questions to ensure they are actively engaged in business creation as owners and managers, how long they have been paying wages to employees, and other questions about cost and time to start up, sources of finance and numbers of jobs created. A distinction is made between two types of entrepreneurs: nascent entrepreneurs (those whose businesses have been paying wages for not more than three months) and new business owner-managers (those whose businesses have been paying salaries for more than three months but not more than 42 months). The TEA index is the proportion of nascent entrepreneurs and new business owner/managers (minus any double counting, i.e. those who respond positively to both are counted once) in the working age population.

2.1 ENTREPRENEURIAL ATTITUDES IN THE UK AND G7 IN 2010

At least some of the difference in entrepreneurial activity rates between countries may be explained by differences in attitudes of the population towards entrepreneurship. Some researchers have suggested that GEM attitudinal data is best treated at the group rather than individual level, because individuals who are already entrepreneurs may feel compelled to provide positive answers in the APS. In this section we compare attitudes in the UK and other participating G7 countries for that portion of the working age (18-64) population who are not already nascent entrepreneurs or business owner/managers for participating G7 countries for 2010[4]. Attitudes for UK landline only respondents are most comparable with UK figures for 2009. Attitudes of the full UK sample are most comparable with the estimates for other G7 countries. In practice, the attitudes of landline only respondents and all respondents are very similar. Points of note include the following:

- At 31%, the proportion of non-entrepreneurs of working age in the UK who said they personally knew someone who had started a business is close to the G7 average but lower than France.
- In the UK, just over one in four (27%) of the non-entrepreneurial working age population perceived that there were good opportunities in the next 6 months which was close to the G7 average.
- Skills perception in the UK was higher than the skills perception rates of other participating G7 countries with the exception of the US.
- Fear of failure among those who perceived opportunities in the UK was the same as the G7 average.

[4] In Appendix 2, the data on entrepreneurial attitudes and perceptions for all adults aged 18-64 are presented in Table 1a.

Table 1:
Attitudes towards entrepreneurship in participating G7 countries in 2010 - percentage of working age population who are neither nascent entrepreneurs nor existing business owner/managers, who expressed an opinion and agreed with the statement at the top of the column
(Source: GEM APS 2010)

Note: the UK data used in this table presents only one of two sets of results for the final UK sample: landline and mobile only households to facilitate international comparisons. Tables comparing trends within the UK over time contain data from households with landlines to aid comparison with previous years. The UK attitudinal data in this table differs from that published in the GEM Global Report for 2010 as that was based on an interim sample of 3,000 submitted in July 2010.

	I know someone who has started a business in the last 2 years	There are good start-up opportunities where I live in the next 6 months	I have the skills, knowledge and experience to start a business	Fear of failure would prevent me starting a business (for those who agree there are good start-up opportunities)
UK	**31.1**	**26.8**	**47.2**	**36.0**
France	45.6	31.9	33.8	43.2
Germany	27.9	27.0	36.6	38.6
Italy	29.9	24.6	39.4	39.1
Japan	14.0	5.0	9.4	37.7
US	24.9	32.3	54.0	31.7
G7 Average	28.9	24.6	36.7	37.7

2.2 ENTREPRENEURIAL ATTITUDES IN THE UK IN 2009 AND 2010

Table 2 shows estimates of changes in attitudes towards entrepreneurship in the UK among the non-entrepreneurially active working age population by gender between 2009 and 2010, and Figure 2 shows the trend from 2002 to 2010. To aid comparison across years, Table 2 shows estimates for households with landlines. Estimates for all households sampled in 2010 (including those with mobile phones) are provided in Appendix 2. Some of these measures have shown a continual increase through the recession, while others dipped in 2009 but recovered in 2010. The proportion of non-entrepreneurs who know someone who has started a business in the last two years increased markedly from 23.6% in 2007 to 31.2% in 2010. The percentage of non-entrepreneurs who think that successful business founders have a high level of status and respect in society has continued to rise slowly over the long term, from 71.7% in 2003 to 75.5% in 2010.

Attitudes which appear to have been affected during the recession, but which made recoveries in 2010 to their 2008 levels, included the percentage of non-entrepreneurs who thought there were good opportunities to start a business in their local area which rose from 23.0% in 2009 to 26.5% in 2010. The rise in opportunity perception was significant for both men and women. However, opportunity perception remained significantly lower than the 36.1% recorded in 2007. Non-entrepreneurs' perceptions of business start-up as a good career choice, their perceptions of the coverage of successful new businesses, and the proportion who thought there were good opportunities but would not

Table 2:
Entrepreneurial attitudes in the UK among households with landlines in 2009 and 2010 (% non-entrepreneurially active respondents aged 18-64 expressing an opinion and agreeing with the statement)
(Source: GEM UK APS, 2009, 2010)

Note: the UK data used in this table presents only one of two sets of results for the final UK sample: data from households with landlines to aid comparison with previous years. Tables that facilitate international comparisons employ data from landline and mobile only households. The UK attitudinal data in this table differs from that published in the GEM Global Report for 2010 as that was based on an interim sample of 3,000 submitted in July 2010.

	2009	2010	2009	2009	2010	2010
	All	All with Landlines	Males	Females	Males with Landlines	Females with Landlines
I personally know someone who has started a business in the last two years	23.4	31.2	25.8	21.0	34.5	28.3
There will be good start-up opportunities where I live in the next six months	23.0	26.5	25.0	20.9	28.4	24.7
I have the skills, knowledge and experience to start a business	44.4	46.1	52.5	36.5	54.4	38.5
Fear of failure would prevent me from starting a business (for those who agree there are good start-up opportunities)	35.2	37.7	32.3	38.8	35.6	39.7
Most people consider that starting a business is a good career choice	47.9	52.0	48.9	46.8	52.3	51.6
Those successful at starting a business have a high level of status and respect in society	73.8	75.5	74.8	72.8	75.6	75.4
You will often see stories about people starting successful new businesses in the media	44.7	50.8	46.6	42.7	51.1	50.5

start a business because they feared failure also returned to 2008 levels. Business start-up skills perception by contrast is virtually unchanged.

Table 2 shows that men tend to have more positive entrepreneurial attitudes than women. The gap is particularly marked in skills self-perception where it has been very stable since 2002. However, the gap in fear of failure between women and men narrowed in 2010 and is no longer statistically significant. Interestingly, the rate of female to male opportunity perception (among non-entrepreneurs) was stable in 2010 at 84%, having dipped to 78% in 2007 and 74% in 2008. Taken together, these trends over time support the view that when it comes to entrepreneurship, women may be more risk-aware than men.

Table 2a (in Appendix 2) and Figure 2 show that the attitudes of the full 2010 sample, including mobile-only households, are marginally more positive than those of only households with landlines. Tests of attitudes between respondents from mobile-only households and landline-only households confirmed significant differences across all attitudes except for media portrayal of entrepreneurs.

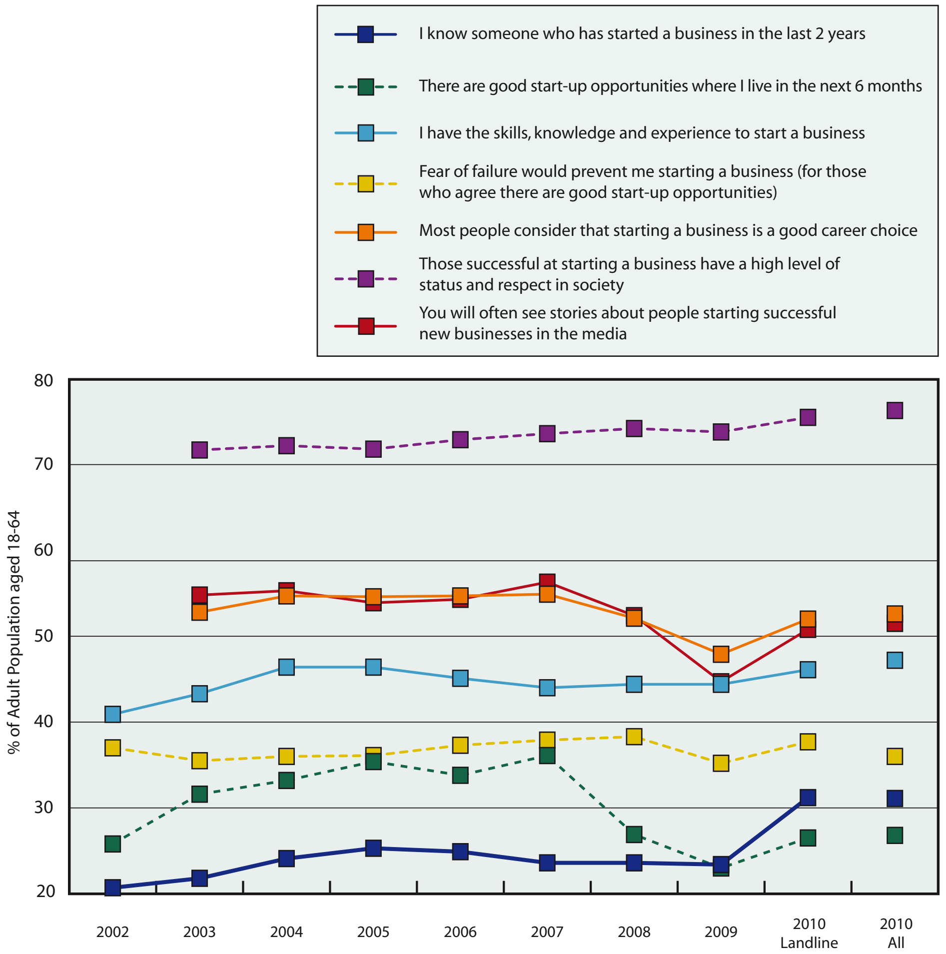


Figure 2:
Entrepreneurial attitudes in the UK, 2002-2010: (% non-entrepreneurially-active respondents aged 18-64 expressing an opinion and agreeing with the statement)
(Source: GEM UK APS, 2002-2010. 2002 to 2009 data is only for respondents in households with landlines).

5 The 2002-2010 home nation data for the 'Good Opportunities' attitude variable in the GEM UK pooled dataset is included in the Appendix (Table 3b).

2.3 ATTITUDES TOWARDS ENTREPRENEURSHIP IN THE UK NATIONS

The self-reporting of attitudes of the non-entrepreneurially active working age population towards entrepreneurship in the four UK nations in 2010 is presented in Table 3. The key findings are as follows:

- The item "I personally know someone who has started a business in the last two years" may reflect the prevalence of new business start-up in a nation as well as the amount of networking by individuals in a nation. It was significantly higher in England than in the other nations.
- Northern Ireland had the lowest proportion of the non-entrepreneurially active population reporting that there were good start-up opportunities in their local area in the next 6 months at 16%, significantly below England for a second year running. Opportunity perception increased significantly in England between 2009 and 2010 (from 23.5% to 27.7%) but remained subdued in the other home nations.[5]
- Almost half (47.8%) of non-entrepreneurially active respondents in England thought they had the skills to start a business; this was significantly higher than in Northern Ireland (41.0%).
- None of the estimates of fear of failure are significantly different from each other, because of the small proportion of people who both saw good opportunities and feared failure in 2009. When the requirement that only those who see good opportunities is removed, then the point estimate for Northern Ireland (50%) is significantly higher than that of England (40.1%) and Scotland (43.5%) but not Wales (44.7%).
- The proportion of non-entrepreneurial individuals who agreed that most people consider that starting a business is a good career choice was significantly lower in Wales (47.9%) than in England (53.3%). There was no difference in the proportion of non-entrepreneurial individuals in the home nations who agreed that those successful at starting a business have a high level of status and respect in society, or who agreed that you will often see stories about people starting successful new businesses in the media.

	England	Wales	Scotland	Northern Ireland	United Kingdom
I know someone who has started a business in the last 2 years	32.0	25.9	27.1	25.4	**31.1**
There are good start-up opportunities where I live in the next 6 months	27.7	21.8	25.4	15.9	**26.8**
I have the skills, knowledge and experience to start a business	47.8	44.5	44.4	41.0	**47.2**
Fear of failure would prevent me from starting a business (for those who agree there are good start-up opportunities)	35.0	41.4	42.7	44.8	**36.0**
Most people consider that starting a business is a good career choice	53.3	47.9	49.4	49.9	**52.6**
Those successful at starting a business have a high level of status and respect in society	76.3	75.3	75.0	79.8	**76.3**
You will often see stories about people starting successful new businesses in the media	51.9	48.5	49.5	50.2	**51.5**

Table 3:
Perceptions of entrepreneurship among non-entrepreneurially active individuals in the UK Home Nations, 2010
(Source: GEM UK APS 2010)

3.1 ENTREPRENEURIAL ACTIVITY IN THE UK AND G7 COUNTRIES

GEM views entrepreneurship as a process in which individuals become increasingly engaged in entrepreneurial activity. Figure 3 illustrates the proportion of respondents by stage of entrepreneurial activity in the UK over the period 2002 to 2010. In this figure, individuals who engaged in more than one stage of the process at a time are included **in their most established stage** (see Figure 3a in Appendix for gross rates for each stage).

In the UK in 2010, 83.0% of working age individuals were not engaged in entrepreneurial activity and had no intention of starting a business within the next three years. Excluding mobile only households this rose marginally to 83.8%. A further 4.6% (3.8% in 2009) expected to start a business in the next three years, but were not actively trying to start a business or running an existing business. An additional 2.9% were nascent entrepreneurs and 3.3% were new business owner/managers. Finally, 6.2% were established business owner/managers.

Intention to start rates declined from 5.9% to 3.8% in the period 2004-09 and appear to have recovered to pre-recession levels, reflecting shifts in attitudes of the non-entrepreneurial population. It is notable that the inclusion of mobile-only households in the 2010 sample appeared to eliminate the slight fall in nascent and new business activity since the mid-2000s. This probably reflects the growing significance of mobile-only households in the population, and reinforces the remarkable stability of early-stage entrepreneurial activity in the UK over the past decade. In contrast, established business ownership may have risen very slightly.

Total early-stage Entrepreneurial Activity (TEA) is the sum of the nascent entrepreneurship rate and the new business owner/manager rate. Figure 4 shows trends in TEA rates of the G7 nations between 2002 and 2010. Over the past nine years TEA rates have increased in France and Japan, but declined in the US, Italy and Germany. The US had the highest TEA rate of G7 nations in 2010 at 7.6%, but the gap between the US and UK has narrowed in recent years and their TEA rates are not now statistically different. This is mainly due to reductions in the US nascent entrepreneurial activity rate. The UK's TEA rate has varied little during the period 2002 to 2010 and tracked the G7 average very closely up to 2009, when the G7 rate dropped.

In addition to TEA, GEM measures the proportion of established business owner-managers in the working age population (EBO). Established business owner-managers have owned or managed a business for more than 42 months. Finally, GEM measures the proportion of individuals of working age who closed down a business in the last 12 months, one that did not continue under a different form of ownership.

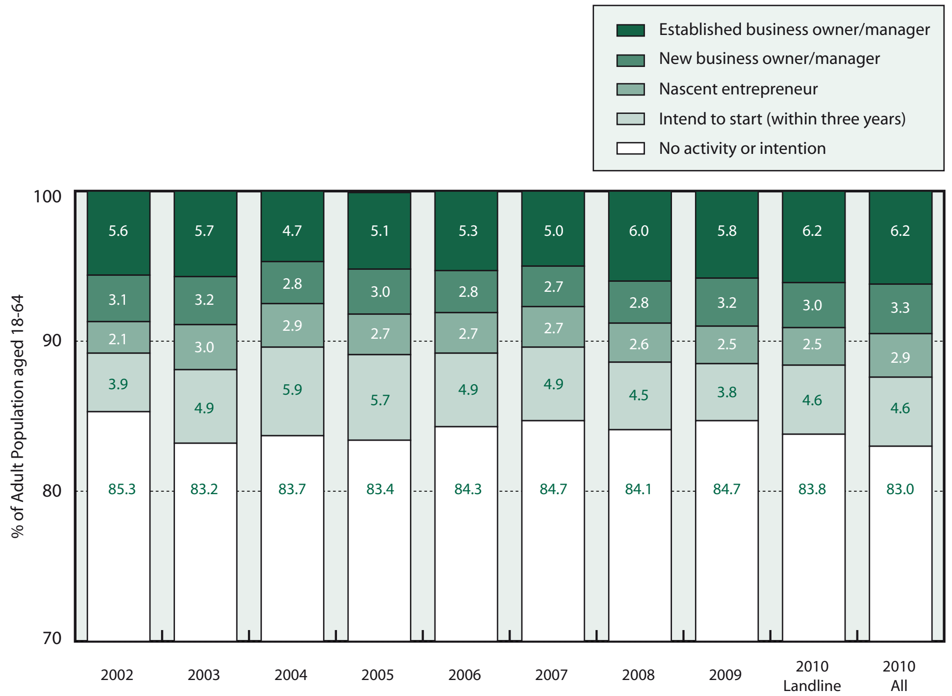
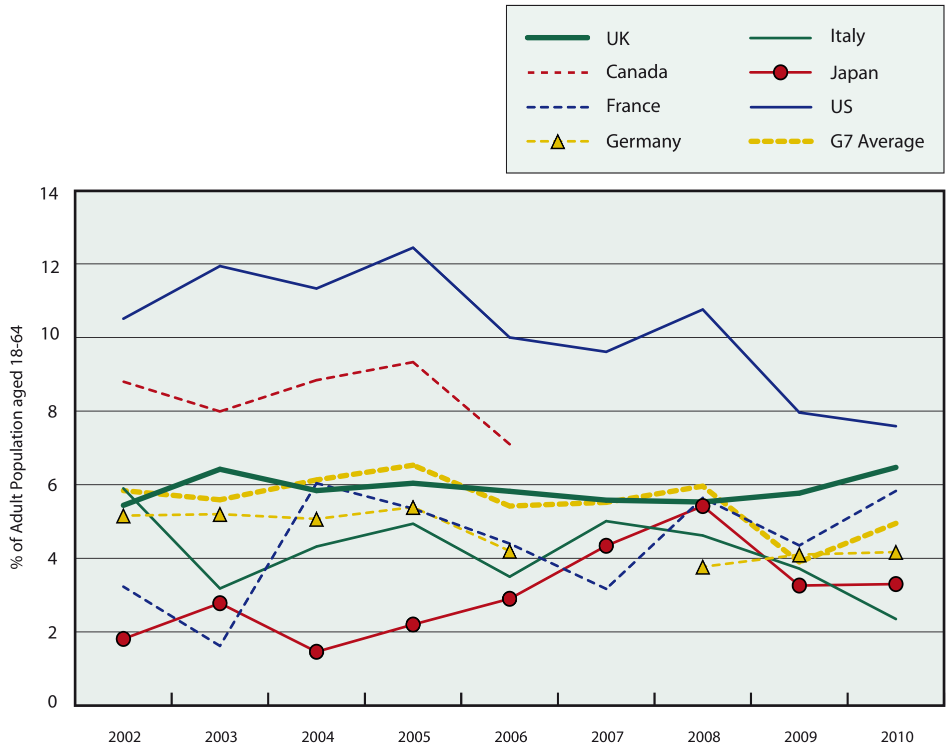


Figure 3: Participation in Entrepreneurship in the UK by most established stage of entrepreneurial activity, 2002 to 2010
(Source: GEMUK APS 2002 to 2010)



[6] Canada has not participated in GEM since 2006.

Figure 4: Total early-stage Entrepreneurial Activity (TEA) in participating G7 Countries (2002-2010)[6]
(Source: GEM Global Adult Population Survey (APS) 2002-2010)

The ratio of established business ownership to early-stage entrepreneurship gives a proxy measure of transition rates from early stage entrepreneurship to established business ownership[7]. This can be interpreted as a proxy survival measure. The ratio of closure to business ownership (new plus established) gives a proxy of entrepreneurial dynamism or "churn". The 2010 results for participating G7 countries are given in Table 4.

GEM is a survey of individuals and not a survey of registered businesses. Therefore, the figures reported for business ownership will not necessarily tally with official statistics on the size of the registered business stock in GEM participant countries. Nevertheless, the table presents some interesting summary points:

- Rates for the UK on almost all these measures and ratios are slightly above the G7 average, while the point estimate for the UK new business owner/manager rate is, for the first time, now above that of the US (although not statistically different).
- France has relatively high business start-up intention rates, low established business owner rates, low survival rates and relatively high business churn rates.

Figure 5 compares the TEA rate by age group of the UK and other G7 countries in 2010. Except for Japan, TEA rates are highest in the middle years. The UK has the closest profile to the US, with high TEA rates in the 25-34 age group, but average TEA rates among younger adults. TEA rates among young Germans appear to be particularly low.

7 This measure assumes that early-stage entrepreneurship and established business ownership does not fluctuate over time.

8 Canada did not participate in GEM in 2010.

	I expect to start a business in the next 3 years	Nascent Entrepreneurial Activity rate (paying wages for 3 months or less)	New Business Owner-manager rate (4-42 months)	Nascent + New business owner-manager rate	Established Business Owners (>42 months)	Business closure rate (Business closed in the last 12 months that has not continued)	Proxy early-stage business survival rate	Proxy business churn rate
	(FUT)	(NEA)	(NBO)	(TEA)	(EBO)	(BC)	(EBO/TEA)	BC/(NBO+EBO)
UK (full sample)	**7.3**	**3.2**	**3.4**	**6.5**	**6.2**	**1.2**	**1.0**	**0.1**
France	16.0	3.8	2.1	5.8	2.4	1.3	0.4	0.3
Germany	7.8	2.5	1.8	4.2	5.7	0.9	1.4	0.1
Italy	4.8	1.3	1.1	2.4	3.7	1.1	1.5	0.2
Japan	4.9	1.5	1.8	3.3	7.4	1.1	2.2	0.1
US	10.4	4.9	2.8	7.6	7.7	2.7	1.0	0.3
G7 Average	8.5	2.9	2.2	5.0	5.5	1.4	1.3	0.2

Table 4:
Measures of entrepreneurial activity in participating G7 countries, 2010
(Source: GEM APS 2010)

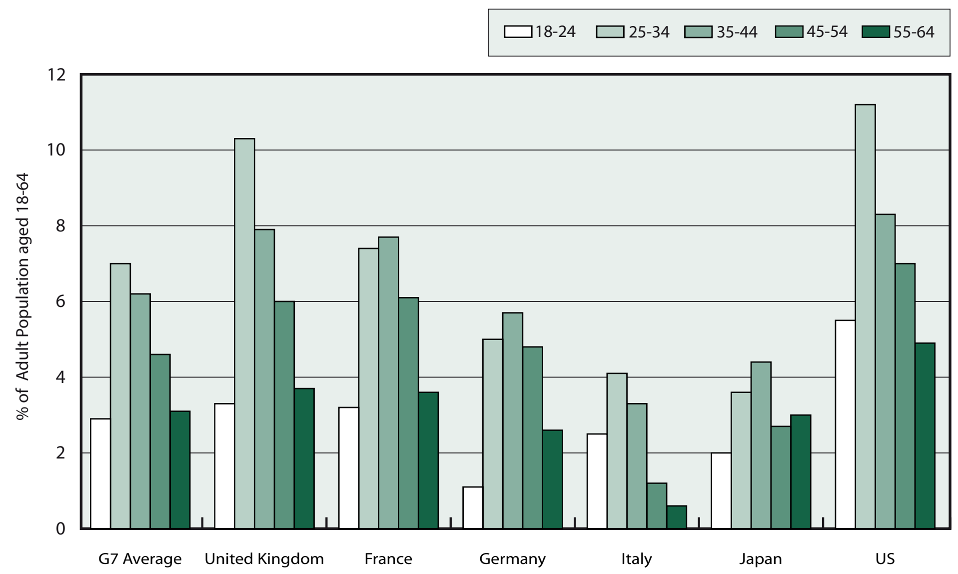


Figure 5:
Total early-stage Entrepreneurial Activity (TEA) in participating G7 Countries by Age Group (2002-2010)[8]
(Source: GEM Global Adult Population Survey (APS) 2002-2010)

3.2 OPPORTUNITY AND NECESSITY-BASED ENTRY INTO ENTREPRENEURSHIP

Different people may have very different motivations to enter into entrepreneurial activity. For example, in some cases, the motivation to start a business may be based on necessity, i.e. there are no better alternatives for work. Others may be motivated to start a business by opportunity, or the potential for new market creation. GEM identifies early-stage entrepreneurs according to their original motivation to start: opportunity or necessity. Most early-stage entrepreneurs can be classified into either of these two groups.

Opportunity-motivated early-stage entrepreneurship rates (Opportunity TEA) and Necessity-driven early-stage entrepreneurship rates (Necessity TEA) for G7 countries in 2010 are presented in Figure 6. In all participating G7 countries, levels of necessity TEA in 2010 were lower than levels of opportunity TEA. In the UK, 5.1% of the working age adult population were opportunity-motivated early-stage entrepreneurs, with 0.7% identified as necessity-driven early-stage entrepreneurs.

Comparing "like-for-like" measures with respondents in households with landlines only, there has been no change in the rate of opportunity TEA in the UK since 2008 and 2009: 4.3%. However, when mobile-only households are included, opportunity TEA in 2010 was higher at 5.1%. Opportunity entrepreneurship in the US has dropped significantly since 2008 from 8.9% to 5.2% and is now the same level as opportunity entrepreneurship in the UK.

Ratios of necessity TEA to opportunity TEA are low in the UK and Italy relative to other G7 countries. The necessity TEA rate in the UK has been stable at just under one percent for the past three years. This is one-third of the rate in the US. Necessity TEA appears to have doubled in France between 2009 and 2010.

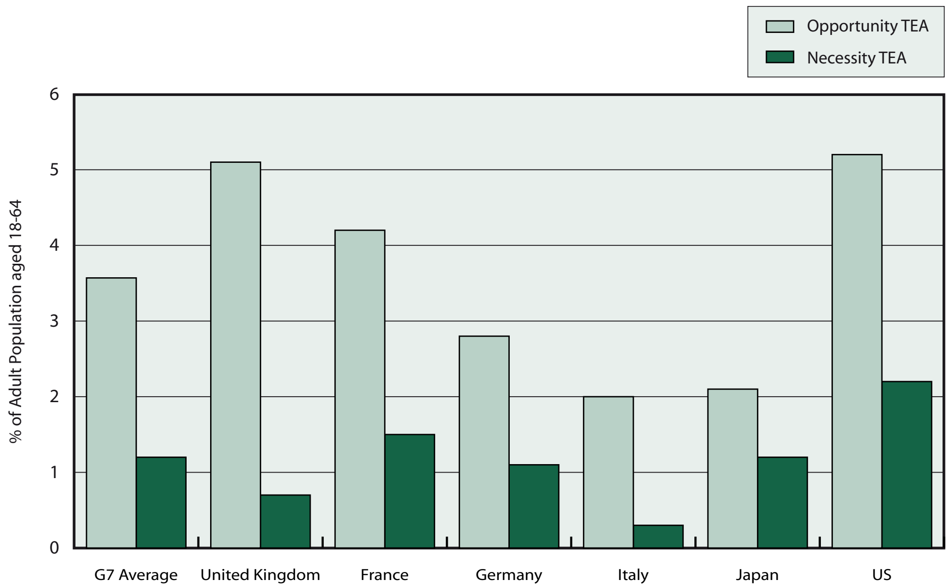


Figure 6:
Necessity and opportunity TEA rates in participating G7 countries in 2010
(Source: GEM APS 2010)

3.3 MALE AND FEMALE ENTREPRENEURIAL ACTIVITY COMPARED

Figure 7 presents a summary of Total early-stage Entrepreneurial Activity (TEA) rates for the G7 countries by gender. In most high income countries, men are around twice as likely to be entrepreneurially active as women. But in the US and France in 2010, male and female TEA rates were much closer than in the other G7 countries. In the UK the level of female TEA was 44% that of males, a slightly lower ratio than in 2007 (48%), 2008 (49%) and 2009 (47%): 4.0% compared to 9.0% for men. (This ratio was exactly the same for landline households as for the full sample).

In the US the ratio of female to male TEA in 2010 was 85%, up from 60% in 2009 (and the 70% observed in 2008 and 60% in 2007). The gap between UK and US female early-stage entrepreneurial activity widened in 2010 as the US female TEA rate increased from 5.8% to 7.0%. At the same time, the US male TEA rate fell from over 10% in 2009 to 8.2% in 2010. In 2010, the point estimate of male TEA in the UK exceeded the US male TEA rate for the first time, though this difference is not statistically significant.

Comparing Figures 7 and 8, the difference in participation rates between men and women appears to be more even among established business owner-managers (EBO) than among early-stage entrepreneurs (TEA) in G7 countries in

Figure 7:
Total early-stage entrepreneurial activity by gender in participating G7 countries in 2010
(Source: GEM APS 2010)

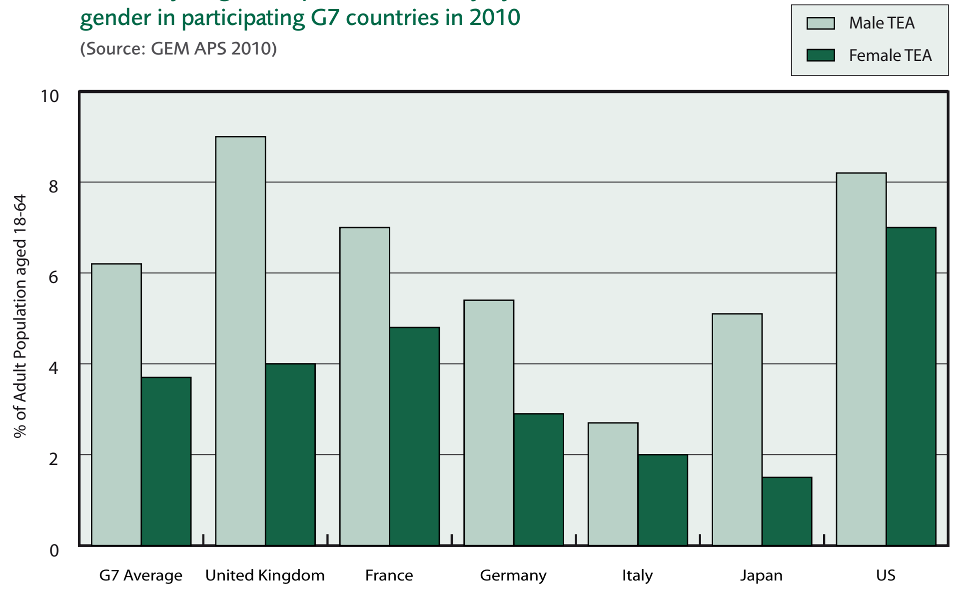
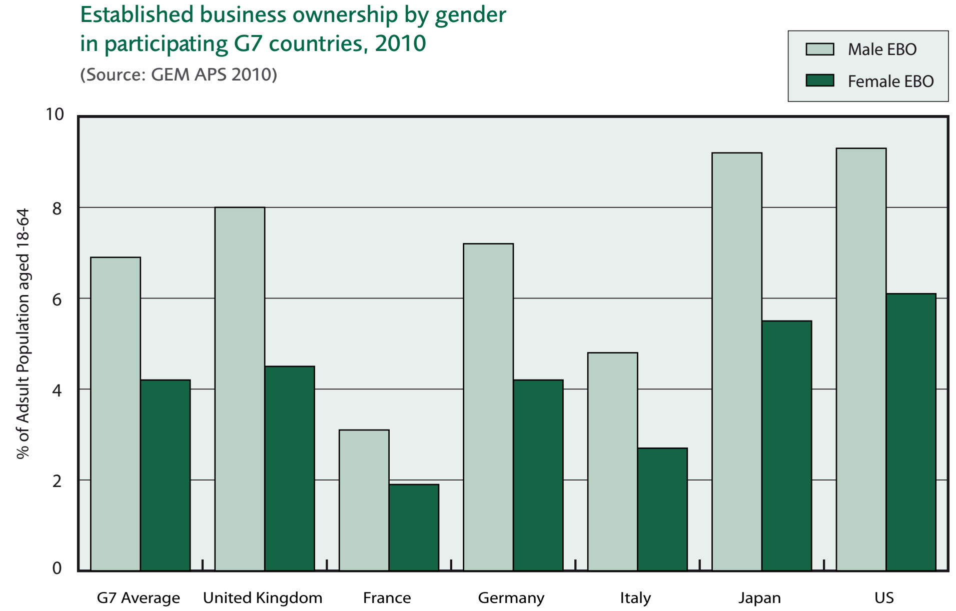


Figure 8:
Established business ownership by gender in participating G7 countries, 2010
(Source: GEM APS 2010)



2010. For example, the UK female early stage entrepreneurial activity was 44% of male activity, while female established business ownership at 4.5% was 56% that of males (8.0%). The equivalent ratios for the US are 85% and 66% respectively, while for Japan they are 29% and 60%. The average ratios for G7 countries are very similar: 60% (TEA) and 61% (EBO). France stands out as having low rates of both male and female EBO, while Japan and the US have similar, relatively high, rates. This similarity is misleading, however, because churn in the US business stock is much higher than in Japan.

On average, levels of female early-stage entrepreneurial activity in the G7 countries appear to be static since 2002, although female TEA rates have declined in the US, as illustrated in Figure 9. Female TEA in the UK was slightly under the G7 average from 2004 until 2008, but since 2008 it has been slightly higher due partly to a fall in activity across other G7 countries. The average fall in female TEA across G7 countries in 2009 from 2008 was about double in relative terms the fall in the male TEA rate (a 26% decline compared with a 14% decline), although the absolute declines were identical: a drop of 1.1% in the male and female TEA rate.

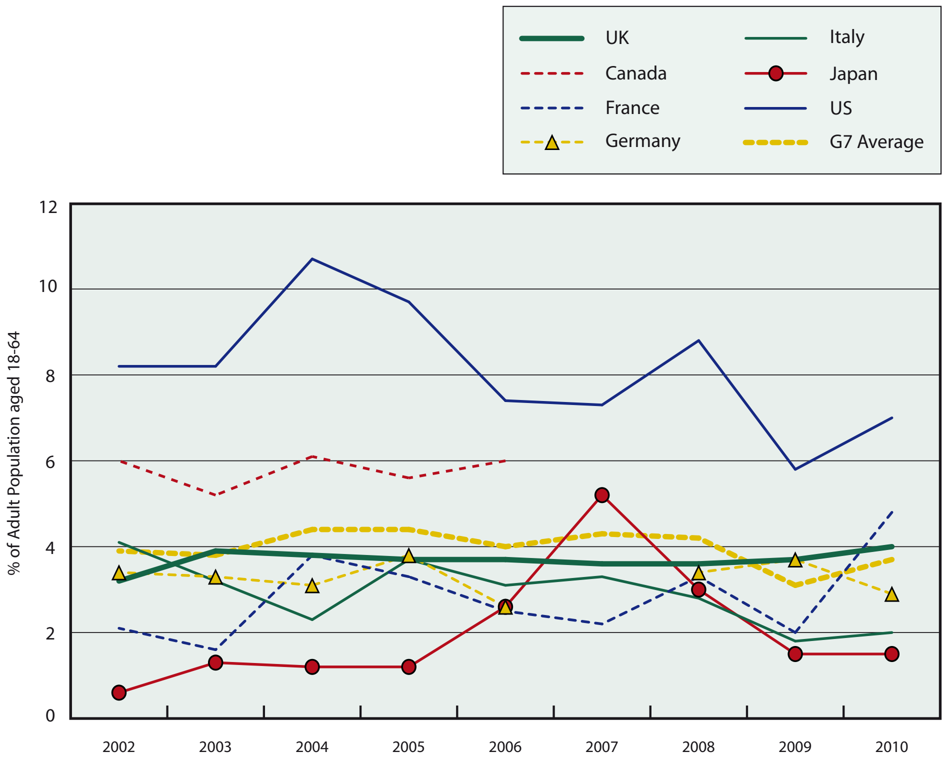


Figure 9:
Female entrepreneurial activity in participating G7 countries, 2002-2010
(Source: GEM APS, 2002-2010)

3.4 ENTREPRENEURIAL ACTIVITY IN THE UK HOME NATIONS

Table 5 displays different measures of entrepreneurial activity in the four home nations of the UK for 2010. Together, these measures allow us to assess the degree of dynamism and stability across different parts of the UK. Relative to other home nations, Scotland has, as in previous years, a relatively high ratio of EBO to TEA and an average churn rate. This suggests that it is producing a relatively low flow of early-stage businesses given its business stock while maintaining an average level of churn. Further, the TEA rate in Scotland at 4.2% is significantly lower than England's rate of 6.7% (but not than in Wales and Northern Ireland). This is a product of a lower rate of both nascent and new business ownership in Scotland.

Table 5:
Measures of entrepreneurial activity in the UK Home Nations, 2010
(Source: GEM APS 2010)

	I expect to start a business in the next 3 years	Nascent Entrepreneurial Activity rate (paying wages for 3 months or less)	New Business Owner-manager rate (4-42 months)	Nascent + New business owner-manager rate	Established Business Owners (>42 months)	Business closure rate (Business closed in the last 12 months that has not continued)	Proxy early-stage business survival rate	Proxy business churn rate
	(FUT)	(NEA)	(NBO)	(TEA)	(EBO)	(BC)	(EBO/TEA)	BC/(NBO+EBO)
England	7.5	3.3	3.6	6.7	6.1	1.2	0.91	0.12
Northern Ireland	6.2	3.6	2.8	6.4	7.4	1.9	1.16	0.19
Scotland	6.0	2.2	2.0	4.2	6.5	1.0	1.55	0.12
Wales	5.8	3.0	2.7	5.8	6.7	1.2	1.16	0.13
UK	**7.3**	**3.2**	**3.4**	**6.5**	**6.2**	**1.2**	**0.95**	**0.13**

[9] Note: this is for the combined sample of mobile and landline only households. If we restrict the sample to landline only the female TEA rate was 3.4% and the male TEA rate was 7.8%.

While female early-stage entrepreneurial activity in the UK in 2010 was 4%[9], Figure 10 shows that there are small variations across the four home nations, though none of these differences are statistically significant. However, it is the ratio of female to male early-stage entrepreneurial activity which varies markedly across the four home nations. Northern Ireland, as in previous years, has the lowest ratio of female to male TEA rate (34%) which was 10 percentage points lower than in the UK as a whole. Females in Northern Ireland are significantly less likely than males to be involved in early-stage entrepreneurial activity.

Scotland records the highest female to male TEA ratio at 65% but this is a result of a lower male TEA rate compared to the other home nations. Male TEA rates in Scotland (5.1%) were significantly below those of England (9.4%) but not when compared to Wales (8%) and Northern Ireland (9.6%).

Individuals aged between 25-34 years display the highest rate of early-stage entrepreneurial activity in the UK and this holds for all the home nations, albeit at different levels, except Scotland. The average TEA rate for this age group in the UK is 10.3% whereas in Scotland it is almost four times lower at 2.7%, a difference which is statistically significant.

In the UK, Figure 11 shows 3.3% of young adults aged 18-24 years are engaged in early-stage entrepreneurial activity and although Wales and Scotland record higher rates (6.7% and 6.1% respectively) there are no statistically significant differences across the home nations. Nascent and new business activity (TEA rate) declines with age and for those aged 55-64 years the UK average is 3.7%. There is some variation across the home nations with Northern Ireland displaying the highest rate (5.3%) and Scotland (2.7%) the lowest but these differences are not statistically significant.

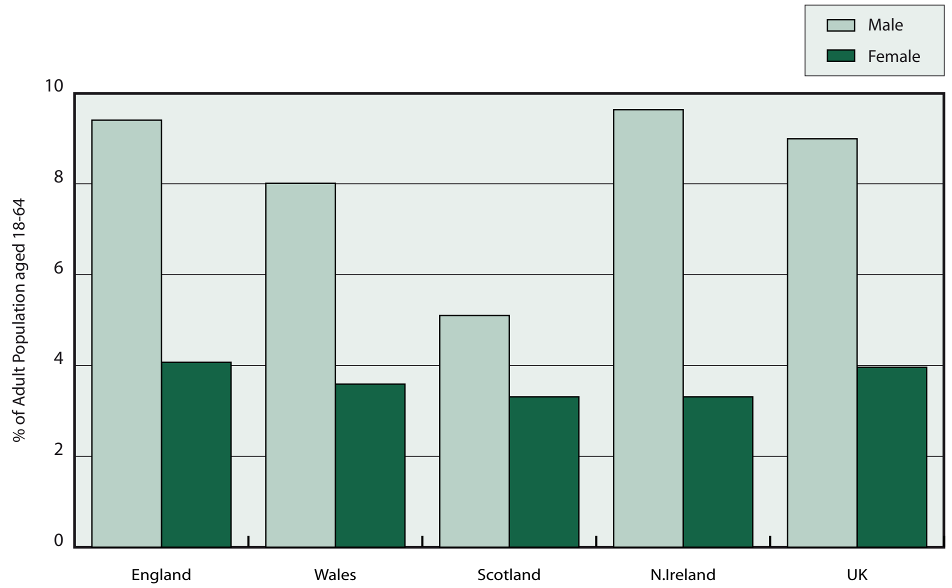


Figure 10:
Male and Female Total early-stage Entrepreneurial Activity in the UK Home Nations, 2010
(Source: GEM APS 2010)

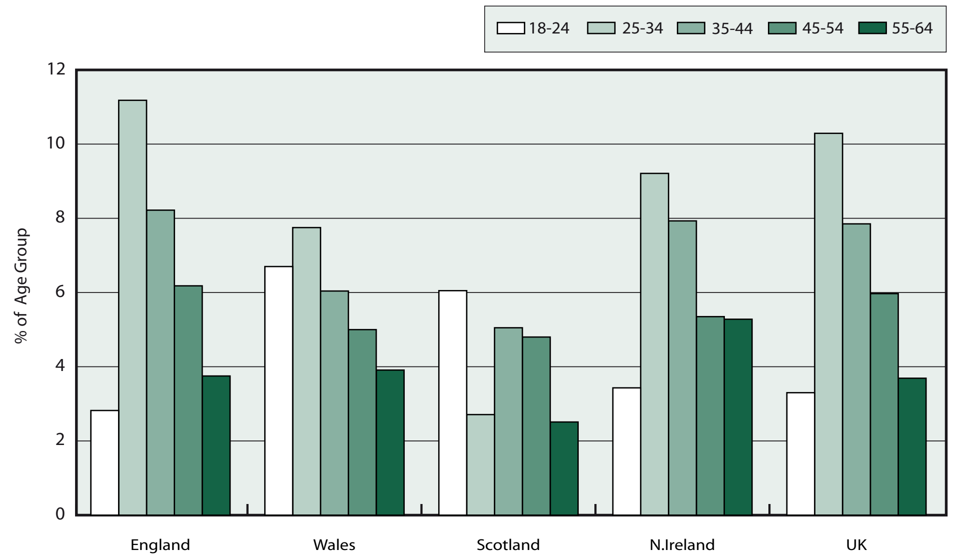


Figure 11:
Total early-stage Entrepreneurial Activity in the UK Home Nations by Age Group, 2010
(Source: GEM APS 2010)

The potential of entrepreneurial activity to promote regeneration and growth will reflect the types of business being established. If an entrepreneur expects to create a large number of jobs, or if the product market is new, then his or her potential contribution to growth and regeneration through entrepreneurship may be greater.

To identify individuals who expect to create a relatively high number of jobs, GEM created a variable which measures the percentage of all early-stage entrepreneurs who have created more than ten jobs and who expect more than 50% growth in jobs in the next five years. The results are illustrated in Table 6 for early-stage entrepreneurs (nascent and new business owners) and established business owner-managers. Table 6 also shows the proportion of early-stage entrepreneurs and established business owner-managers who state they operate in new product markets[10], operate in "high" or "medium" technology sectors (according to OECD definitions), and have more than 25% of their customers from outside the country, for each G7 country.

Almost one in seven (14.4%) of UK early stage entrepreneurs had high job expectations in 2010 which was marginally below the G7 average (16.8%). High job expectation varies substantially across the G7 and is highest in the US which is almost 10 percentage points ahead of the UK. In all G7 countries the proportion of established business owners with high job expectation was much lower than the proportion of early-stage entrepreneurs. The UK, along with Italy, records the lowest proportion of established business owners with high job expectations.

In almost all countries (the exception being Italy) early-stage entrepreneurs were more likely than established business owners to report new product-market creation. In the UK in 2010 early-stage entrepreneurs were just as likely to report new product-market creation as in the other G7 countries. Overall, one in four nascent and new business owners were setting up new business ventures which involved new product-market creation which was equivalent to the G7 average. The proportion of established business owners reporting new product-market creation in the UK was slightly below the G7 average. The UK proportion, which was almost the same as in the US, lagged behind France but was well ahead of Japan.

The third variable in Table 6 illustrates the percentage of early-stage entrepreneurs and established business owner-managers who were active in high or medium tech sectors according to OECD definitions[11]. In 2010 the UK had a relatively high proportion of early-stage entrepreneurs in high or medium tech sectors – at 13.5% compared with a G7 average of 7.5%. However the proportion of established business owners in medium or high tech sectors was close to the G7 average (10.0% versus 9.1%)

The final variable shows the proportion of early-stage entrepreneurs and established business owners who have (or expect to have, in the case of nascent entrepreneurs) over one in four customers from outside the country. The UK performs relatively well on this measure with one in five (20.6%) nascent and new business owners having more than a quarter of their customers outside the country. This is almost double the G7 average and indeed is the highest proportion among the G7 countries. One in 10 established businesses in the UK have more than a quarter of their customers in export markets which is slightly above the G7 average and double that reported in the US and Japan.

One measure of aspiration that has been measured consistently by GEM since 2002 has been the rate of "high expectation entrepreneurial activity", or HEA for short. This is the proportion of early-stage entrepreneurs in the population who expect to employ at least 20 people, in addition to the owners, in five years' time. Because HEA entrepreneurs are so rare, annual comparisons with other countries that have relatively small GEM samples can be misleading. Bearing this caveat in mind, the UK estimate for HEA in 2010 was 0.6% which was close to the G7 average of 0.5%. In 2010, the country estimates of HEA were 1.2% for the US, 0.6% for France and 0.4% for Germany and Japan and 0.1% for Italy. Over this period, the proportion of HEA entrepreneurs in the UK working age population has declined steadily, from 0.9% in 2002 to 0.5% in 2010[12].

10 Where the product is new to all or most customers and where there is little or no competition.

11 GEM collects data for high, medium and low technology sectors according to OECD definitions and also asks if their technology was available one year ago, 2-5 years ago or longer than that. The latter set of variables have been reported in the past but these only give an indication of the newness of the technology in the perception of the respondent. The measure in Table 7 uses OECD definitions of technology.

12 This is calculated using the landline sample only to make the trend analysis comparable.

Table 6:
Measures of entrepreneurial aspiration in participating G7 countries, 2010
(Source: GEM APS 2010)

	High Job Expectation: greater than ten jobs and growth >50% (% TEA or EBO)		New Product-Market (% of all TEA or EBO)		High or Medium tech sectors (% of all TEA or EBO)		Exporting: > 25% of customers outside the country (% of all TEA of EBO	
	TEA	EBO	TEA	EBO	TEA	EBO	TEA	EBO
UK	**14.4**	**0.9**	**25.0**	**12.0**	**13.5**	**10.0**	**20.6**	**9.8**
France	17.4	4.9	33.8	21.4	5.1	8.5	13.4	13.0
Germany	13.6	4.6	25.6	12.5	10.2	8.4	13.8	8.7
Italy	11.1	0.7	22.2	19.9	7.8	10.8	13.1	10.5
Japan	21.2	3.1	19.3	4.5	4.0	4.2	5.5	3.2
US	23.3	2.3	27.9	14.0	10.4	13.6	12.2	5.0
G7 Average	16.8	2.8	25.6	14.1	7.5	9.1	13.1	8.4

5 IMPACT OF GLOBAL ECONOMIC DOWNTURN

In 2010, the GEM survey again carried questions on the attitudes of entrepreneurs to start-up and growth in the recession. There are clear indications from the responses to these questions that the attitudes of entrepreneurs in the UK are moving in a slightly more positive direction as the economy moves out of recession. Comparing like-for like households (i.e. those with landlines), there was an increase in the proportion of early-stage entrepreneurs (nascent and new business owners) in the sample who were more positive about their prospects for growth than they were 12 months previously, from 20.5% in 2009 to 25.0% in 2010 (Table 7). The views of established business owners (EBOs) in the UK have also become more positive since 2009. Just over one in five (21.7%) of these owner-managers were more positive about their prospects for growth in 2010, up from 15.9% in 2009.

In the UK in 2010, a fifth (19.4%) of early-stage entrepreneurs and just over one in 10 (11.7%) of established business owner-managers thought there were more opportunities for their business as a result of the global slowdown (Table 7). This was broadly similar to the results a year ago. A slightly higher proportion of early-stage entrepreneurs in the UK in 2010 - almost one in 7 (14.0%) - thought that starting a business was less difficult than a year ago with a larger proportion that the difficulties are about the same. Just over a half of nascent and new business owners reported that it was more difficult to start a business in 2010 compared to two-thirds in 2009.

Obtaining funding remains a major issue for many start-up businesses, with around half of nascent entrepreneurs reporting they require external funding. Since 2006, GEM has tracked the mix of funds that nascent entrepreneurs expect to use; sources of funds that they state they have actually used; and, finally those sources which they tried but failed to access.

Table 8 shows some apparent differences in expected funding sources for start-ups in 2010 compared with earlier years, which may reflect shifts in risk awareness and availability of capital. For example, there appears to have been an increase in the proportion of start-ups that need no start-up funding and where the nascent entrepreneur does not expect to fund any of the start-up capital needed, while the proportion of nascent entrepreneurs expecting to fund the start-up completely by themselves has declined. There has also been a reduction in the proportion of nascent entrepreneurs who expect to get funding from people on the fringes of their social network: kin who are not close family, work colleagues and strangers. Expectations of funding from close family members, friends and neighbours - so-called "love money" appear to have increased. It is more difficult to discern any trends in expectation of funding from institutions such as Government or banks.

Table 7:
Entrepreneurs' views on the impact of global recession on their own business: 2009 and 2010
(Source: GEM APS 2009; 2010)

	Nascent Entrepreneurs and New Business Owners (TEA)			Established Business Owners (EBO)		
Starting a business is…	2009	2010 (Landline only)	2010 (Landline & Mobile)	2009	2010 (Landline only)	2010 (Landline & Mobile)
More difficult	64.4	50.1	53.1	75.8	61.8	61.7
About the same	23.8	35.9	32.4	16.5	27.9	29.0
Less difficult	11.8	14.0	14.5	7.7	10.3	9.3
Expectations for growth are…						
Lower	43.8	23.2	24.7	49.8	31.5	23.2
About the same	35.8	51.8	47.9	34.3	46.8	44.0
Higher	20.5	25.0	27.4	15.9	21.7	23.2
The economic slowdown created						
More business opportunities	20.3	19.4	18.7	14.2	11.7	10.8
No impact	28.6	41.0	37.2	32.2	39.4	41.8
Fewer business opportunities	51.1	39.6	44.1	53.5	48.9	47.4

Table 8:
Percentage of nascent entrepreneurs expecting funding from different sources, 2006 to 2010
(Source: GEM UK APS, 2006 to 2010)

	2006	2007	2008	2009	2010 (Landline)	2010 (All)
Type of funding expected						
No funding needed	5.0	5.1	5.1	5.0	8.1	10.3
All funded by entrepreneur	45.8	54.7	51.2	50.7	45.1	43.8
None funded by entrepreneur	3.5	2.8	2.2	3.9	7.2	8.5
Close family member (spouse, parent, sibling)	8.0	8.8	12.1	10.1	14.0	8.6
Other relatives, kin or blood relations	3.7	4.3	8.0	6.0	2.1	1.7
Work colleagues	7.5	6.1	9.9	6.8	4.3	5.0
A stranger	4.3	2.2	3.6	3.7	1.0	0.7
Friends or neighbours	4.7	3.2	6.1	4.5	10.4	6.9
Banks or other financial institutions	23.5	19.3	18.6	20.0	13.1	18.2
Government programmes	15.0	12.1	17.2	15.1	16.8	17.7
Any other source	7.0	6.4	5.9	8.8	3.9	5.0

It is instructive to compare the funding expectations of nascent entrepreneurs with their experience. Figure 12 shows trends in the sources of finance that nascent entrepreneurs report that they have ever used to fund a business. Changes over the 2006 to 2010 period may reflect changes in funding preferences and in perceived as well as actual availability of funding. They include:

- A fall in use of bank overdrafts and secured loans
- A fall in funding from individuals who are not friends and family and from equity providers.
- A fall in use of Government grants.
- A rise in use of credit card debt.

Finally, we consider the types of funding that nascent entrepreneurs report they sought *and failed to secure*. Table 9 shows that the sharp rise in 2009 in the number of nascent entrepreneurs who had tried but failed to secure funding from friends and family and other individuals was reversed in 2010 from 10.9% to 1.8%. There was a continuation in the rise in the proportion of nascent entrepreneurs reporting they had sought and been refused unsecured bank loans and credit cards and a slight reduction in reported refusals of secured loans.

These trends fit with recent changes in informal investment, or investment by individuals in other people's new businesses shown in Table 10. The informal investment rate fell significantly from 1.6% in 2006 to 1.2% in 2009, but rose to almost 3% in 2010. (This rate still remains at less than half the average rate across all 60 participating economies in 2010.) It can be seen that 2010 was marked by a rise in investment in friends and neighbours and a decrease in investment in work colleagues and, possibly, strangers.

Overall, we see an increase in risk aversity in 2010, among nascent entrepreneurs who were more likely to seek ways of reducing their personal exposure to capital risk, among individual investors who were more likely to invest in those closest to them, and among institutional investors who were shifting to more secure debt instruments.

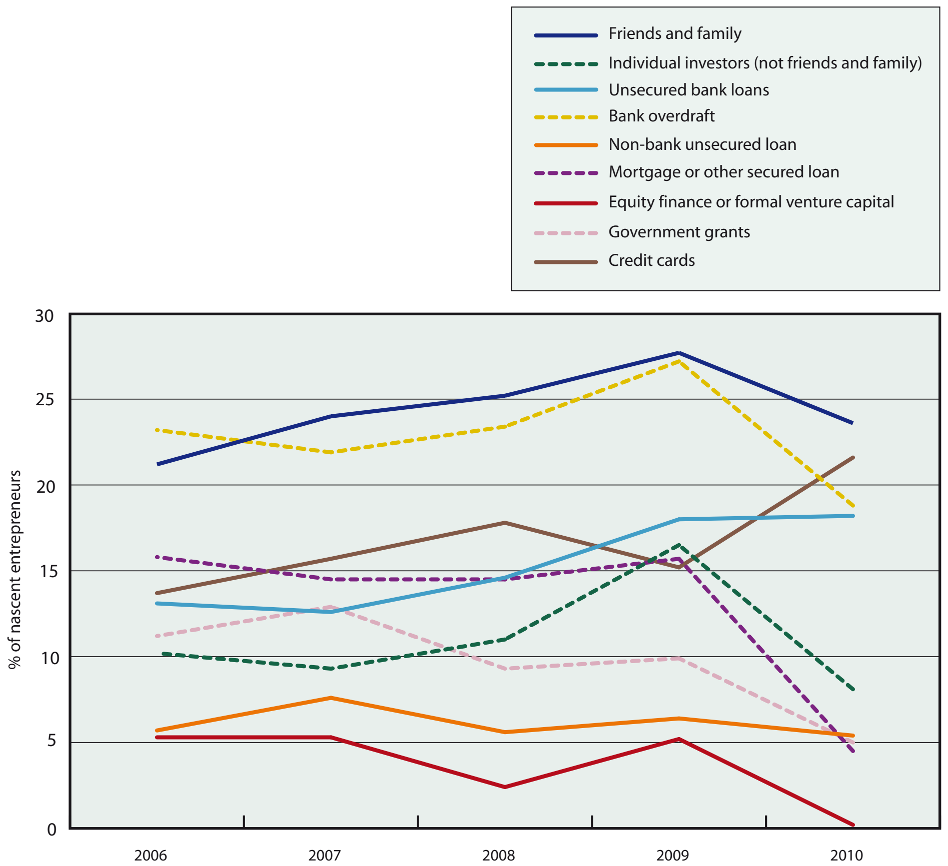


Figure 12:
Percentage of UK nascent entrepreneurs who have reported ever using a type of funding for a business, 2006 to 2010
(Source: GEM APS, 2006 to 2010, households with landlines)

	2006	2007	2008	2009	2010 (Landline)	2010 (All)
Type of funding sought and refused						
Friends and family	4.7	3.0	4.8	10.8	1.8	3.1
Individual investors (not friends and family)	5.7	2.6	4.5	10.1	0.6	3.1
Unsecured bank loans	6.8	4.4	6.1	9.5	12.0	17.0
Bank overdraft	7.8	5.1	5.6	9.4	7.2	12.3
Non-bank unsecured loan	2.7	1.9	2.7	4.2	0.6	3.1
Mortgage or other secured loan	4.2	5.5	4.7	4.0	1.8	3.1
Equity finance or formal venture capital	2.5	2.3	2.1	2.4	0.6	1.3
Government grants	6.1	8.1	6.1	7.8	5.5	7.0
Credit cards	4.4	4.6	4.7	4.9	6.3	8.4

Table 9:
Percentage of UK nascent entrepreneurs who have reported being refused funding, by type of funding refused, 2006 to 2010
(Source: GEM APS, 2006 to 2010)

	2006	2007	2008	2009	2010 (Landline)	2010 (All)
Informal investment rate						
% aged 18-64 who have invested in someone else's new business in the last 3 years	1.6	1.3	1.4	1.2	2.6	2.9
Relationship of latest investee (% of latest investments)						
Close family member (spouse, parent, sibling)	48.0	45.9	39.8	41.0	42.0	37.0
Other relative, kin or blood relations	2.0	5.5	4.5	4.5	7.0	7.5
Work colleague	9.3	8.9	15.7	8.3	0.5	2.2
Friend or neighbour	33.7	34.3	32.3	35.5	44.5	48.5
A stranger with a good business idea	7.0	3.8	7.1	8.6	5.6	4.5
Other	0.0	1.7	0.6	2.1	0.5	0.4

Table 10:
Percentage of individuals aged 18-64 who have invested in someone else's new business in the last 3 years, and the distribution of relationships to the latest investee, 2006 to 2010
(Source: GEMUK APS 2006 to 2010)

6 ENTERPRISE CULTURE: GLOBAL ENTREPRENEURSHIP WEEK

The GEM UK survey included questions for Enterprise UK on some aspects of their activities and in particular, the 'Make Your Mark' campaign and Enterprise Week/ Global Entrepreneurship Week. The objective here was to estimate if these national campaigns designed to develop an enterprise culture were reaching their target audience. Figure 13 presents the responses for 2010 and compares them to the 2009 results[13]. Overall, 7.7% of 18-30 year olds reported that they had heard of the Make Your Mark (MYM) campaign in 2010 compared to 7.1% in 2009.

Over a quarter (28.2%) of the population of 18-30 year olds had heard of Enterprise Week (EW) or Global Entrepreneurship Week (GEW) which was a slight increase on the 2009 proportion (24.2%). Of all those 18-30 year olds who had heard of EW/GEW around one in six (15.1%), i.e. 4.2% of all 18-30 year olds had participated in activities associated with the event.

[13] Again, we use the landline only sample for 2010 to ensure a like-for-like comparison.

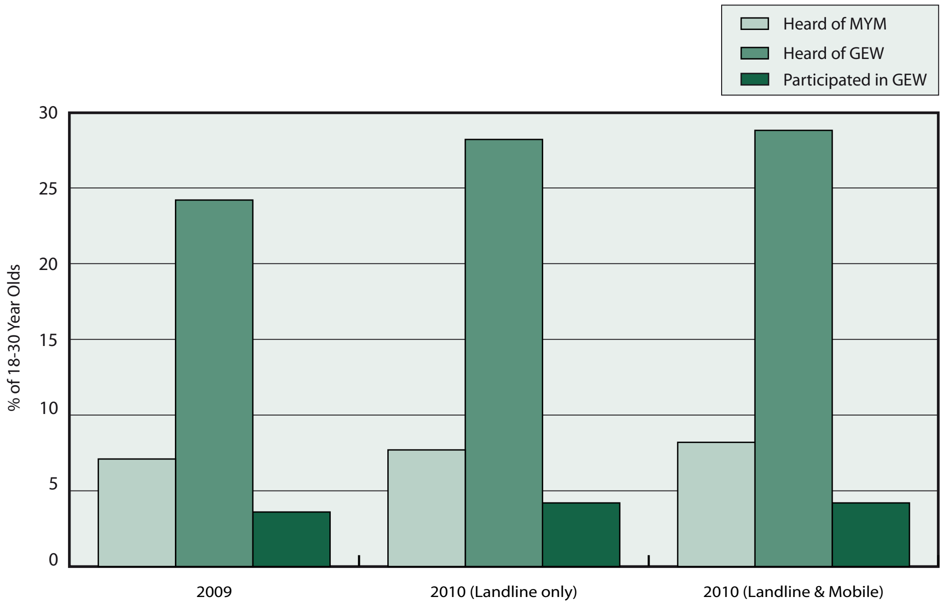


Figure 13:
Awareness and Participation of Make Your Mark; Enterprise Week/Global Entrepreneurship Week in UK, 2009 and 2010
(Source: GEM APS, 2009 & 2010)

7 THE PIPELINE TOWARDS ENTREPRENEURIAL ACTION

One of the features that has been lacking from the GEM methodology is a longitudinal dimension which permits the tracking of individuals over time. This has prevented an analysis of how many people who expect to start a business in the future actually do so and indeed, how many nascent entrepreneurs are still trading after 12 months. In 2010, with the support of the Department for Business, Innovation and Skills (BIS), we had an opportunity to undertake a small re-survey of participants in the GEM UK 2009 survey as part of a separate study on the impact of the media on entrepreneurial intentions and actions[14].

Overall, 1,245 interviews were completed in late May and June 2010 with respondents from the GEM UK 2009 survey who gave their permission to be contacted for further research. We structured the sample into five groups (200 in each was the target) based on the responses to the GEM 2009 survey: non-entrepreneurs, thinkers[15], nascent entrepreneurs, new business owners, and established business owners. The status of some of these respondents had changed in 12 months and the achieved sample breakdown is shown in Table 11.

Therefore, the re-surveyed sample breaks down in simple terms into 616 entrepreneurially active individuals (nascent, new and established business owner-managers) and 629 non-entrepreneurially active individuals (non-entrepreneurs and thinkers). Another way of considering this sample is in three groups: those who became or remained entrepreneurs (616), those who did not (503), and those who gave up being entrepreneurs or thinkers (126). Overall, just over one in ten entrepreneurs (11.8%) abandoned their business in the 12 months since mid-2009. Just over one in four (27.1%) of the 'Thinkers' in 2009 had become nascent or new business owners within 12 months, but only 4.2% of non-entrepreneurs had made this transition. Around half (47.1%) of 'Thinkers' in 2009 were still thinking about starting their own business in 2010 and a

[14] See Levie, J., Hart, M and Mohammed Shamsul, K (2011) "Impact of Media on Entrepreneurial Intentions and Actions". Report for the Enterprise Directorate, Department for Business, Innovation and Skills (BIS).

[15] "Thinkers" were defined for this study as those who expect to start a business in the next three years but have not taken steps in the past year to do so, and are not currently running a business.

Table 11:
Distribution of Respondents by Entrepreneurial Status in 2009 and in 2010
(Source: GEM UK Media Survey 2010)

	Entrepreneur Status Now (2010)					
Original Entrepreneur Status (as at GEM 09)	Non-entrepreneurs	Thinkers	Nascent entrepreneurs	New business owners	Established business owners	Total
Non-entrepreneurs	406	0	18	0	0	424
Thinkers	53	97	31	25	0	206
Nascent entrepreneurs	36	0	24	139	0	199
New business owner	14	0	0	158	2	174
Established business owner	23	0	0	0	219	242
Total	532	97	73	322	221	1245

further quarter (25.7%) had abandoned all thoughts of doing so.

There were no significant differences in the pattern of change from one category to another by gender. There is, however, a significant difference between those aged under 30 and older individuals in the proportion of nascent entrepreneurs remaining nascent entrepreneurs or becoming new business owners or dropping out of the entrepreneurial process altogether. Just under half (45%) of nascent entrepreneurs less than 30 years of age became new business owners one year later, compared with three-quarters (72.6%) of those aged 30 or more. A third (35%) of nascent entrepreneurs under 30 became non-entrepreneurs one year later, compared with 12.3% of those aged 30 or more. There were only 20 nascent entrepreneurs aged less than 30 in the sample, so we need to be cautious about more detailed analysis. However, this does support work done on the full GEM UK 2009 database which showed that young adults were much more likely to have been a nascent in the past year but given up compared to older adults.

There are some other interesting dimensions of this transition matrix which are worth noting:

- Established business owners who worked less than 10 hours a week on their business were significantly more likely to become non-entrepreneurs than those who worked 10 hours or more (36% versus 8%).
- Nascent entrepreneurs who were unemployed before starting their business were more likely to become non-entrepreneurs (23% versus 15%), as were new business owners (33% versus 7%).
- Wealthier thinkers (with household earnings of over £30,000) were significantly more likely to become new business owners (16% versus 5%).
- New business owners who were life-long residents were significantly more likely to become non-entrepreneurs than migrants (13% versus 3%), while the opposite was true for established business owners (5% versus 14%).
- White thinkers were significantly more likely to become new business owners (14% versus 3%) or non-entrepreneurs (28% versus 10%) than ethnic minority thinkers, and less likely to remain thinkers (44% versus 69%).
- Graduates seem more likely to stay entrepreneurs. For example, around one in ten graduate nascent entrepreneurs in 2009 have become non-entrepreneurs by 2010 compared to a fifth of non-graduates. Further, 98% of graduate new business owners are still running their business compared to 88% of non-graduate new business owners in 2009.

8 INTRAPRENEURSHIP AND CORPORATE VENTURING

Some new business ideas within existing organisations are developed further internally while others are taken forward by employees leaving to set up a spinoff venture for their employer. In broad terms we refer to these forms of entrepreneurial activity as intrapreneurship. In 2010 an additional set of questions allowed measuring the prevalence of intrapreneurial activities in the UK. By intrapreneurship we refer to initiatives by employees in organizations to develop new business activities, such as developing new products or opening up new markets, for their employer. Table 12 shows the proportion of full or part time employees engaged in these activities by firm size and industry. It also distinguishes activities that involve setting up a new subsidiary or establishment, as it may result in a new business entry. Overall, 3.2% of employees in the UK in 2010 were intrapreneurs[16]. Intrapreneurs were more prevalent among smaller companies and business services.

The proportion of intrapreneurs reporting to offer a product/service considered new by all customers (11%) is the same as the corresponding rate for entrepreneurs. However, 74% of intrapreneurs report little or no competition in the market they are entering compared to a lower proportion of entrepreneurs (52%). Almost a third of intrapreneurs (31%) have high job growth expectations, that is, they expect to have 20 or more employees working on the new business activity five years after its inception, although some of these may be existing employees reallocated to the new activity.

16 The differences between the reported figure and the total rates shown in the table are due to missing values.

	<20 employees	20-249 employees	≥250 employees	Total	
New business activities	4.9%	4.2%	3.0%	3.7%	
New establishment / subsidiary	4.1%	4.0%	2.1%	3.2%	
	Extractive sector	**Transforming sector**	**Business services**	**Consumers, Culture and Society**	**Total**
New business activities	0.3%	3.1%	4.2%	2.6%	3.0%
New establishment / subsidiary	0.3%	2.8%	4.3%	1.9%	2.4%

Table 12:
Intrapreneurship rates in the UK by industry type, 2010
(Source: GEM APS 2010)

Note: Sample sizes and industry type classification by ISIC code are provided in Appendix 2

Conclusion

Overall, a recovery of entrepreneurial attitudes and intention to 2008 levels was evident in 2010 after a slight dip in 2009. The quantity of entrepreneurial activity in the UK in 2010 continued a pattern of no substantial change in activity rates since 2002. The headline rate of total early-stage entrepreneurial activity (the GEM TEA rate) is higher than in 2009 but the increase is not statistically significant and is probably mainly due to the inclusion of mobile-only households in the sample for the first time. Overall, entrepreneurial activity in the UK has tracked the G7 average very closely up to 2009, when the G7 rate dropped.

However, there is evidence of some 'thawing' in attitudes and aspirations in 2010 which are worth summarising:

- There has been a rise in the proportion of the non-entrepreneurial population who report that there are good opportunities to start a business in their local area. This attitude dipped during the recession but has now recovered to its 2008 level.

- Around half (53%) of UK early-stage entrepreneurs thought that starting a business was more difficult than a year ago, down from two-thirds (65%) in 2009. Around two-thirds (62%) of UK established business owner-managers thought that starting a business was more difficult than a year ago, down from around three-quarters in 2009 (76%).

- More UK early-stage entrepreneurs and established business owner-managers had higher expectations for business growth than a year ago.

As the UK economy formally exited recession in 2010, these more positive metrics on attitudes and aspiration point to potential opportunities that can be exploited as new policy initiatives (e.g., New Enterprise Allowance Scheme, Local Enterprise Partnerships; Regional Growth Funds; Coaching for Growth initiative) are put in place to facilitate growth and enable the economy to deepen its enterprise culture and make the UK in the next 10 years a 'decade of entrepreneurship'. However, the climate for funding start-ups remained difficult in 2010, with some evidence of increased risk aversity among all types of funders, including firm founders, and increased reliance by entrepreneurs on "love money" from close friends and family.

Appendix 1

Gem UK Sampling and Weighting Methodology

GEM UK is one of the largest, longest-running national studies of entrepreneurial activity in the world, with over 240,000 individuals interviewed since monitoring began with a sample of 1,000 adults in 1998. In 2010, 10,403 adults aged 16-80 were interviewed. The distribution of respondents is not even across the UK. This is because One North East, Hunter Centre for Entrepreneurship at the University of Strathclyde, Welsh Assembly Government, Invest Northern Ireland and Birmingham City Council chose to boost sampling in their region in order to have more detail about entrepreneurship in their region.

The raw sample of 10,403 was distributed across 13 geographic areas within which representative sub-samples of the population aged 16-80 were taken. These areas and the sample sizes are: South West: 263; South East: 420; East of England: 275; Birmingham: 1044; West Midlands excluding Birmingham: 223; East Midlands: 213; Yorkshire & Humberside: 260; North East: 999; North West: 338: Wales: 2995; Scotland: 2003; London: 368; Northern Ireland: 1002. The Scottish sample was paid for by the Hunter Centre for Entrepreneurship from its endowment income.

According to OfCom[17], households in the UK which have access to a mobile phone but not to a fixed telephone landline have grown steadily from 5% in 2000 to 14% in Q1 of 2010. Meanwhile the proportion of households with a fixed telephone line has declined from 94% in 2000 to 85% in 2010. Eurobarometer estimates[18] suggest that in 2009, 20% of UK households were "mobile-only". Whatever the true figure, it is clear that fixed line surveys are becoming increasingly unrepresentative of UK households, that the distribution of mobile-only households is different to that of fixed line households, and that these differences are not fixed but change over time. In 2010, sampling methods for mobile only households had advanced to a stage where it was felt that inclusion of this group was not only desirable but feasible (though at greater cost).

Every attempt is made to ensure that the results reported are as reliable and robust as possible. To do this, six sets of weights were calculated for the UK data:

- Weights for the whole UK that take the UK area sub-samples and the age, gender and ethnic minority proportion of the population of the UK (aged 18-64) into account, based on the latest available area estimates from the UK Office of National Statistics, typically mid-year estimates for the previous year.

- Sub-sample area weights that take into account the population distributions *within* GEM UK sub-sample areas by age, gender and ethnicity. These are used when we report comparisons between GEM UK sub-sample areas (e.g. Birmingham).

- Government Official Region (GOR) weights that create representative samples at the GOR level from all sub-samples within the same GOR. Eleven out of twelve GORs were not sub-sampled in 2010; the West Midlands had one over-sample (Birmingham)[19].

- In addition, separate weights were constructed for England, based on balanced GOR samples for each English region, as some variables (e.g. urbanity, deprivation) are only available for English regions.

- In 2010, additional weights were created for landline respondents so that "like-for-like" comparisons could be made.

- A final set of weights corrected for known differences by home nation and age group in the relative proportions of mobile only to landline households, using latest available data from OfCom. This made little or no difference to the point estimates of GEM measures. Since the nature of mobile only households is still poorly understood, and since this adjustment resulted in some weights above the acceptable limit of 15 because of small mobile phone sample sizes in some English regions, these weights were not used in this report.

[17] See Communications Reports for 2005 and 2010 available at www.ofcom.org.uk

[18] See Special Eurobarometer 335, available at http://ec.europa.eu/public_opinion/archives/ebs/ebs_335_en.pdf

[19] In order to minimise the effect of over-samples in sub-regions within the West Midlands GOR, a random samples was created from the Birmingham sample to produce a representative samples of the West Midlands.

Appendix 2

Additional Tables and Data for Figures

Table 1a:
Attitudes towards entrepreneurship in participating G7 countries in 2010 - percentage of total working age population (including the entrepreneurially active) who expressed an opinion and agreed with the statement at the top of the column
(Source: GEM APS 2010. These estimates are comparable with measures used in the 2007 GEM UK report).

	I know someone who has started a business in the last 2 years	There are good start-up opportunities where I live in the next 6 months	I have the skills, knowledge and experience to start a business	Fear of failure would prevent me starting a business
UK	**33.6**	**29.4**	**52.3**	**39.5**
France	47.8	33.9	37.3	43.0
Germany	30.0	28.5	41.6	44.4
Italy	30.4	24.7	42.4	44.5
Japan	17.4	5.9	13.7	35.1
US	28.8	34.8	59.5	32.2
G7 Average	31.3	26.2	41.1	39.8

Table 2a:
Entrepreneurial attitudes in the UK in 2009 and 2010 (% non-entrepreneurially active respondents aged 18-64 expressing an opinion and agreeing with the statement)
(Source: GEM UK APS, 2009, 2010)

	2009	2010	2010	2009	2009	2010	2010	2010	2010
	All	All Landline Only	All	Male	Female	Male Landline Only	Female Landline Only	Male	Female
I personally know someone who has started a business in the last two years	23.4	31.2	31.1	25.8	21.0	34.5	28.3	34.7	27.9
There will be good start-up opportunities where I live in the next six months	23.0	26.5	26.8	25.0	20.9	28.4	24.7	29.3	24.7
I have the skills, knowledge and experience to start a business	44.4	46.1	47.2	52.5	36.5	54.4	38.5	55.8	39.3
Fear of failure would prevent me from starting a business (for those who agree there are good start-up opportunities)	35.2	37.7	36.0	32.3	38.8	35.6	39.7	34.9	37.2
Most people consider that starting a business is a good career choice	47.9	52.0	52.6	48.9	46.8	52.3	51.6	53.1	52.2
Those successful at starting a business have a high level of status and respect in society	73.8	75.5	76.3	74.8	72.8	75.6	75.4	76.5	76.0
You will often see stories about people starting successful new businesses in the media	44.7	50.8	51.5	46.6	42.7	51.1	50.5	51.7	51.4

	2009	2010	2010	2009	2009	2010	2010	2010	2010
	All	All Landline Only	All	Male	Female	Male Landline Only	Female Landline Only	Male	Female
I personally know someone who has started a business in the last two years	26.5	33.0	33.6	29.8	22.8	37.2	28.8	38.3	28.9
There will be good start-up opportunities where I live in the next six months	27.0	28.6	29.4	29.9	23.6	31.2	26.1	32.5	26.5
I have the skills, knowledge and experience to start a business	52.4	51.1	52.3	61.3	42.1	60.3	42.0	61.8	42.8
Fear of failure would prevent me from starting a business (for those who agree there are good start-up opportunities)	35.1	40.4	39.5	31.7	39.1	37.3	43.5	35.8	43.2
Most people consider that starting a business is a good career choice	48.1	51.5	52.1	49.5	46.4	51.6	51.5	52.5	51.7
Those successful at starting a business have a high level of status and respect in society	73.8	75.4	76.4	74.6	72.9	75.6	75.3	77.0	75.8
You will often see stories about people starting successful new businesses in the media	45.9	51.4	52.4	48.1	43.3	51.9	50.9	53.0	51.8

Table 2b:
Entrepreneurial attitudes in the UK in 2009 and 2010 (% respondents aged 18-64 expressing an opinion and agreeing with the statement)
(Source: GEM UK APS, 2009, 2010. These estimates are comparable with measures used in the 2007 GEM UK report).

Figure 2:
Entrepreneurial attitudes and perceptions in the UK, 2002- 2010 (% non-entrepreneurial respondents aged 18-64 expressing an opinion and agreeing with the statement)
(Source: GEM UK APS, 2002-2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010 Landline	2010 All
I know someone who has started a business in the last 2 years	20.7	21.8	24.1	25.3	24.9	23.6	23.6	23.4	31.2	31.1
There are good start-up opportunities where I live in the next 6 months	25.8	31.6	33.2	35.4	33.8	36.1	26.9	23.0	26.5	26.8
I have the skills, knowledge and experience to start a business	40.9	43.3	46.4	46.4	45.1	44.0	44.4	44.4	46.1	47.2
Fear of failure would prevent me starting a business (for those who agree there are good start-up opportunities)	37.0	35.5	36.0	36.1	37.3	37.9	38.3	35.2	37.7	36.0
Most people consider that starting a business is a good career choice		52.8	54.7	54.6	54.7	54.9	52.1	47.9	52.0	52.6
Those successful at starting a business have a high level of status and respect in society		71.7	72.2	71.8	72.9	73.6	74.2	73.8	75.5	76.3
You will often see stories about people starting successful new businesses in the media		54.8	55.3	53.9	54.3	56.3	52.4	44.7	50.8	51.5

Table 3a:
Attitudes towards entrepreneurship in UK regions in 2010 - percentage of total working age population who expressed an opinion and agreed with the statement at the top of the column
(Source: GEM APS 2009)

	2002	2003	2004	2005	2006	2007	2008	2009	2010 Landline	2010 All
I know someone who has started a business in the last 2 years	23.9	24.6	26.6	27.7	27.3	25.7	25.8	26.5	33.0	33.6
There are good start-up opportunities where I live in the next 6 months	29.1	35.0	35.7	38.2	36.7	39.1	28.8	27.0	28.6	29.4
I have the skills, knowledge and experience to start a business	46.0	48.3	50.3	50.9	49.6	48.5	49.0	52.4	51.1	52.3
Fear of failure would prevent me starting a business	34.3	33.8	33.7	34.3	35.7	35.9	37.2	35.1	40.4	39.5
Most people consider that starting a business is a good career choice	n.a.	51.7	54.3	54.3	54.4	54.7	51.7	48.1	51.5	52.1
Those successful at starting a business have a high level of status and respect in society	n.a.	71.6	72.1	71.7	72.7	73.6	73.8	73.8	75.4	76.4
You will often see stories about people starting successful new businesses in the media	n.a.	55.6	56.1	54.6	55.0	56.7	53.2	45.9	51.4	52.4

Figure 2a:
Attitudes towards entrepreneurship in UK from 2002 to 2010 - percentage of total working age population who expressed an opinion and agreed with the statement at the left of the row
(Source: GEM APS 2002 -2010)

Note: These figures are calculated on the same basis as in GEM UK Report prior to 2008 – that is, for the 18-64 year sample overall and not solely the non-entrepreneurial adult population. However, due to the revisions undertaken in the new pooled 2002-10 UK database there will be small differences between these figures and those published prior to 2008.

	England	Wales	Scotland	Northern Ireland	United Kingdom
I know someone who has started a business in the last 2 years	34.5	28.6	29.4	28.1	**33.6**
There are good start-up opportunities where I live in the next 6 months	30.4	23.2	27.6	17.4	**29.4**
I have the skills, knowledge and experience to start a business	52.9	49.7	49.5	47.3	**52.3**
Fear of failure would prevent me from starting a business	38.9	41.8	40.8	48.7	**39.5**
Most people consider that starting a business is a good career choice	52.6	48.2	50.0	50.3	**52.1**
Those successful at starting a business have a high level of status and respect in society	76.6	74.5	75.1	78.9	**76.4**
You will often see stories about people starting successful new businesses in the media	52.8	50.0	50.4	51.5	**52.4**

Table 3b:
Good Opportunities for Start-up in the local area in next 6 months - in UK from 2002 to 2010 - percentage of non-entrepreneurially active working age population who expressed an opinion and agreed with the statement
(Source: GEM APS 2002 -2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010 landline	2010 all	% change 2002-10	% change 2009-10 Landline
England	26.4	31.5	33.4	36.5	34.1	36.3	26.8	23.5	27.3	27.7	4.9%	16.0%
Wales	21.1	29.7	30.7	31.8	28.6	30.4	19.6	20.4	21.0	21.8	3.1%	3.1%
Scotland	23.3	34.1	33.4	28.6	33.6	36.1	33.1	21.2	24.7	25.4	9.0%	16.5%
N. Ireland	24.8	29.0	32.2	32.8	32.9	39.0	21.8	16.5	16.3	15.9	-36.0%	-1.2%
UK Average	25.8	31.6	33.2	35.4	33.8	36.1	26.9	23.0	26.5	26.8	3.9%	15.4%

Figure 3:
Participation in entrepreneurship in the UK by most established stage of entrepreneurial activity, 2002 to 2010
(Source: GEMUK APS 2002 to 2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010 Landline	2010 All
Established business owner/manager	5.6	5.7	4.7	5.1	5.3	5.0	6.0	5.8	6.2	6.2
New business owner/manager	3.1	3.2	2.8	3.0	2.8	2.7	2.8	3.2	3.0	3.3
Nascent entrepreneur	2.1	3.0	2.9	2.7	2.7	2.7	2.6	2.5	2.5	2.9
Intend to start (within three years)	3.9	4.9	5.9	5.7	4.9	4.9	4.5	3.8	4.6	4.6
No activity or intention	85.3	83.2	83.7	83.4	84.3	84.7	84.1	84.7	83.8	83.0
Total	100	100	100	100	100	100	100	100	100	100

Figure 3a:
Participation in entrepreneurship in the UK by stage of entrepreneurial activity (percentage of working age population), 2002 to 2010
(Source: GEMUK APS 2002 to 2010. Note: individuals can be in more than one stage at a time; hence annual percentages do not total to 100)

	2002	2003	2004	2005	2006	2007	2008	2009	2010 Landline	2010 All
Established business owner/manager	5.6	5.7	4.7	5.1	5.3	5.0	6.0	5.8	6.2	6.2
New business owner/manager	3.1	3.2	2.9	3.1	2.8	2.7	2.9	3.2	3.0	3.4
Nascent entrepreneur	2.5	3.5	3.2	3.2	3.2	3.0	2.8	2.7	2.6	3.2
Intend to start (within three years)	6.5	7.9	8.6	8.7	7.8	7.4	6.8	6.1	6.7	7.2
No activity or intention	85.3	83.2	83.7	83.4	84.3	84.7	84.1	84.7	83.8	83.0

[20] Canada did not participate in GEM in 2010. 2010 figures for UK are for total sample.

Figure 4:
Total early-stage Entrepreneurial Activity (TEA) in participating G7 countries (2002-2010)[20]
(Source: GEM Global Adult Population Survey (APS) 2002-2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
UK	**5.44**	**6.42**	**5.84**	**6.04**	**5.82**	**5.58**	**5.53**	**5.77**	**6.47**
Canada	8.80	7.99	8.84	9.33	7.10				
France	3.23	1.62	6.04	5.35	4.40	3.17	5.64	4.35	5.83
Germany	5.16	5.20	5.07	5.39	4.20		3.77	4.10	4.17
Italy	5.90	3.18	4.32	4.94	3.50	5.01	4.62	3.72	2.35
Japan	1.81	2.78	1.46	2.20	2.90	4.34	5.42	3.26	3.30
US	10.51	11.94	11.33	12.44	10.00	9.61	10.76	7.96	7.59
G7 Average	5.84	5.59	6.13	6.53	5.42	5.52	5.96	3.90	4.95

[21] Canada did not participate in GEM in 2010.

Figure 5:
Total early-stage Entrepreneurial Activity (TEA) in participating G7 Countries by Age Group (2002-2010)[21]
(Source: GEM Global Adult Population Survey (APS) 2002-2010)

	Age group				
	18-24	25-34	35-44	45-54	55-64
G7 Average	2.9	7.0	6.2	4.6	3.1
United Kingdom	**3.3**	**10.3**	**7.9**	**6.0**	**3.7**
France	3.2	7.4	7.7	6.1	3.6
Germany	1.1	5.0	5.7	4.8	2.6
Italy	2.5	4.1	3.3	1.2	0.6
Japan	2.0	3.6	4.4	2.7	3.0
US	5.5	11.2	8.3	7.0	4.9

Figure 6:
Necessity and opportunity entrepreneurship in participating G7 and BRIC countries in 2010
(Source: GEM APS 2010)

	Opportunity TEA	Necessity TEA
G7 Average	3.6	1.2
United Kingdom	**5.1**	**0.7**
France	4.2	1.5
Germany	2.8	1.1
Italy	2.0	0.3
Japan	2.1	1.2
US	5.2	2.2

Figure 7:
Early stage entrepreneurial activity by gender in participating G7 and BRIC countries in 2010
(Source: GEM APS 2010)

	Male TEA	Female TEA
G7 Average	6.2	3.7
United Kingdom	**9.0**	**4.0**
France	7.0	4.8
Germany	5.4	2.9
Italy	2.7	2.0
Japan	5.1	1.5
US	8.2	7.0

Figure 8:
Established business ownership by gender in participating G7 and BRIC countries, 2010
(Source: GEM APS 2010)

	Male EBO	Female EBO
G7 Average	6.9	4.2
United Kingdom	**8.0**	**4.5**
France	3.1	1.9
Germany	7.2	4.2
Italy	4.8	2.7
Japan	9.2	5.5
US	9.3	6.1

Figure 9:
Female entrepreneurial activity in participating G7 and BRIC countries, 2002-2010
(Source: GEM APS, 2002-2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
UK	**3.2**	**3.9**	**3.8**	**3.7**	**3.7**	**3.6**	**3.6**	**3.7**	**4.0**
Canada	6.0	5.2	6.1	5.6	6.0				
France	2.1	1.6	3.8	3.3	2.5	2.2	3.3	2.0	4.8
Germany	3.4	3.3	3.1	3.8	2.6		3.4	3.7	2.9
Italy	4.1	3.2	2.3	3.7	3.1	3.3	2.8	1.8	2.0
Japan	0.6	1.3	1.2	1.2	2.6	5.2	3.0	1.5	1.5
US	8.2	8.2	10.7	9.7	7.4	7.3	8.8	5.8	7.0
G7 Average	3.9	3.8	4.4	4.4	4.0	4.3	4.2	3.1	3.7

Figure 10:
Male and Female Total early-stage Entrepreneurial Activity in the UK Home Nations, 2010
(Source: GEM APS 2010)

	Landline & Mobile		
	Male	Female	Ratio
England	9.4%	4.1%	43%
Wales	8.0%	3.6%	45%
Scotland	5.1%	3.3%	65%
N. Ireland	9.6%	3.3%	34%
UK	**9.0%**	**4.0%**	**44%**

Figure 11:
Total early-stage Entrepreneurial Activity in the UK Home Nations by Age Group, 2010
(Source: GEM APS 2010)

	18-24	25-34	35-44	45-54	55-64
England	2.8%	11.2%	8.2%	6.2%	3.7%
Wales	6.7%	7.7%	6.0%	5.0%	3.9%
Scotland	6.1%	2.7%	5.1%	4.8%	2.5%
N. Ireland	3.4%	9.2%	7.9%	5.3%	5.3%
UK	**3.3%**	**10.3%**	**7.9%**	**6.0%**	**3.7%**

Figure 12:
Percentage of UK nascent entrepreneurs who have reported ever using a type of funding for a business, 2006 to 2010.
(Source: GEM APS, 2006 to 2010)

	2006	2007	2008	2009	2010 (Landline)	2010 (All)
Type of funding ever sought						
Friends and family	21.2	24.0	25.2	27.7	23.6	23.1
Individual investors (not friends and family)	10.2	9.3	11.0	16.5	8.1	12.3
Unsecured bank loans	13.1	12.6	14.6	18.0	18.2	20.6
Bank overdraft	23.2	21.9	23.4	27.2	18.8	23.7
Non-bank unsecured loan	5.7	7.6	5.6	6.4	5.4	4.2
Mortgage or other secured loan	15.8	14.5	14.5	15.7	4.5	7.2
Equity finance or formal venture capital	5.3	5.3	2.4	5.2	0.2	3.7
Government grants	11.2	12.9	9.3	9.9	5.0	6.7
Credit cards	13.7	15.7	17.8	15.2	21.6	20.3

Figure 13:
Awareness and Participation of Make Your Mark; Enterprise Week/Global Entrepreneurship Week in UK, 2009 and 2010 (% of 18-30 year olds)
(Source: GEM APS, 2009 & 2010)

	2009	2010 (Landline only)	2010 (Landline & Mobile)
Heard of Make Your Mark	7.1	7.7	8.2
Heard of Global Entrepreneurship Week	24.2	28.2	28.8
Participated in Global Entrepreneurship Week	3.6	4.2	4.2

Table 12a:
Sample sizes for Intrapreneurship rates in Table 12

	<20 employees	20-249 employees	≥250 employees	Total	
New business activities	731	1,286	1,681	3,698	
New establishment/ subsidiary	697	1,218	1,496	3,411	
	Extractive sector	**Transforming sector**	**Business services**	**Consumers, Culture and Society**	**Total**
New business activities	177	638	954	2608	4376
New establishment/ subsidiary	165	584	875	2446	4070

Table 12b:
Industry classification ISIC codes for Table 12

	Industry Classification
ISIC-4 codes	
01-399	Extractive
500- 999	Extractive
1000-3399	Transforming
3500-3999	Transforming
4100-4399	Transforming
4500-4599	Transforming
4600-4799	Consumers, Culture and Society
4900-5399	Transforming
5500-5699	Consumers, Culture and Society
5800-7599	Business services
7700-8299	Business services
8400-8899	Consumers, Culture and Society
9000-9799	Consumers, Culture and Society

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