

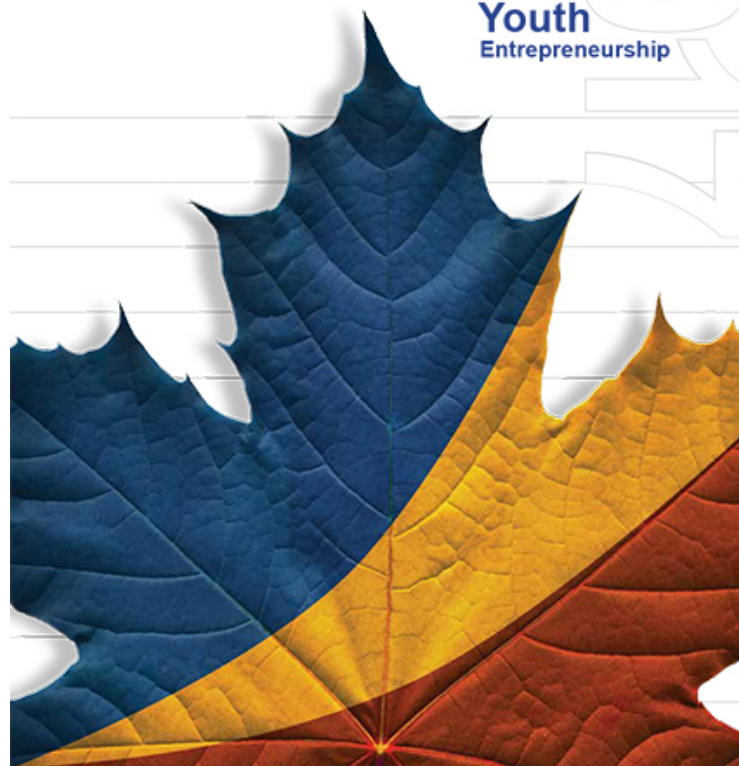


GEM Canada Report on Youth Entrepreneurship



Global
Entrepreneurship
Monitor

GEM Canada Report on
Youth
Entrepreneurship



THECiS
The Centre for Innovation Studies

2018 Nov

Overview

- Report purpose and key definition
- GEM – Strengths & Approach
- Report Highlights
 - Attitudes
 - Activity and Motivations
 - Demographics
 - Aspirations
 - Recommendations



Report introduction

- Goal: Help policy makers, practitioners and educators recognize the value that youth entrepreneurs bring to Canada
- Youth entrepreneurship has benefits for the overall health of the economy and can be promoted through targeted policy intervention
- Youth: Entrepreneurs aged 18-39 years old (based on Futurpreneur definition)



GEM – Strengths & Approach

- GEM methodology moves beyond ages and stages approach or readiness approach
- World's largest & longest running study
- Inclusive definition of entrepreneurship
- Multi-dimensional focus
 - Activity, attitudes, aspiration
 - Distinct business stages (early-stage, established)



How does GEM define Entrepreneurship?

“Any attempt at new business or venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals or an established business.”

Total Early Activity (TEA)

Established Business (EB)

Less than 3.5 yrs

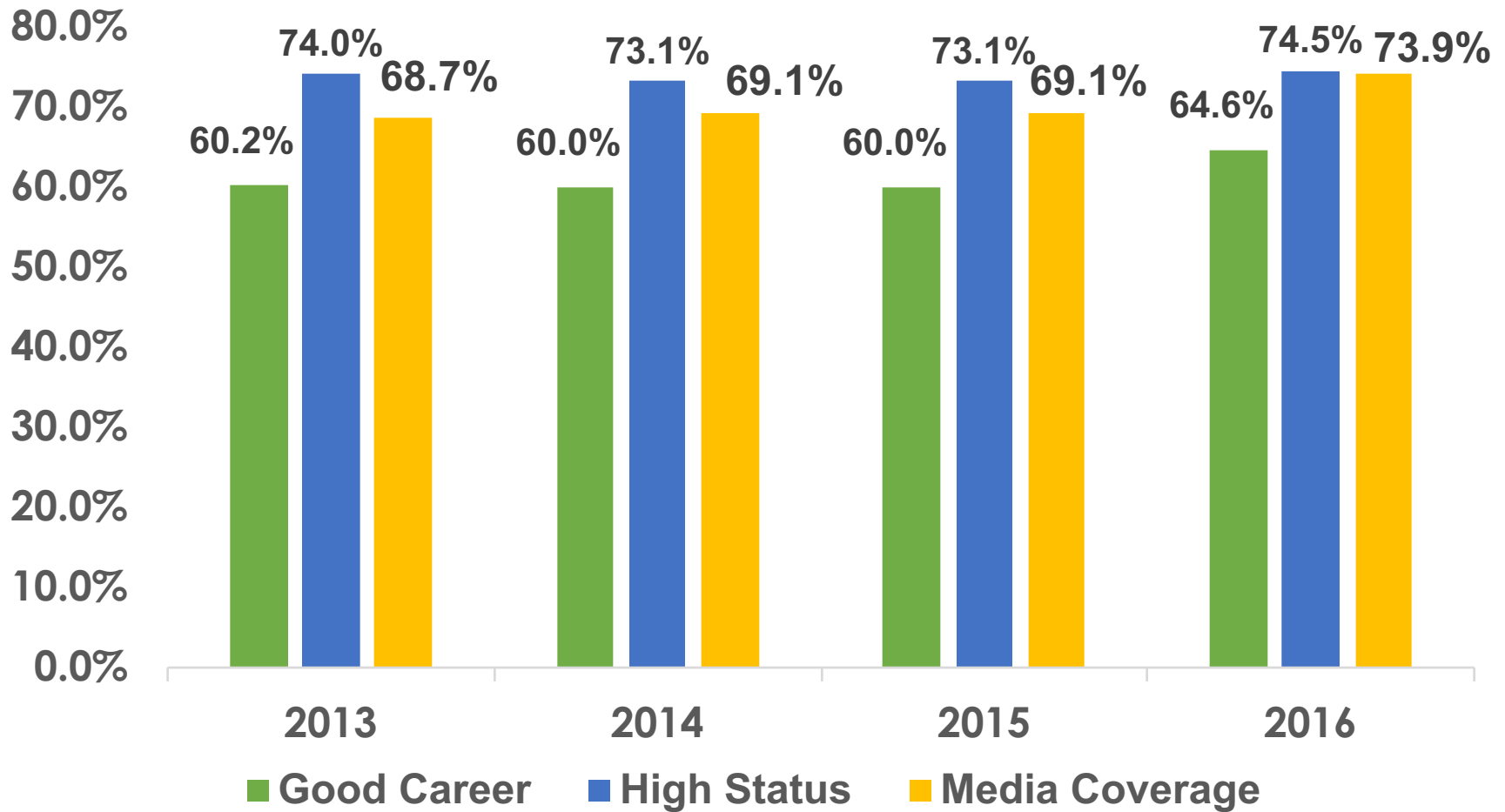
3.5 years +



Attitudes



Youth Entrepreneurship attitudes are positive and we see upward trends



Attitudes of Canadian Youth Towards
Entrepreneurship, by year (2013-2016)



Youth Entrepreneurs see opportunities decrease but are more confident with skills & experience

Attitude	2013	2014	2015	2016
Knowledge	33.8%	35.0%	37.1%	32.4%
Opportunity	61.3%	57.9%	54.7%	55.9%
Skills & Experience	44.8%	41.3%	45.4%	52.8%
Fear of Failure	41.6%	43.1%	45.4%	40.4%
Intent to Start a Business	19.8%	21.9%	19.9%	18.5%

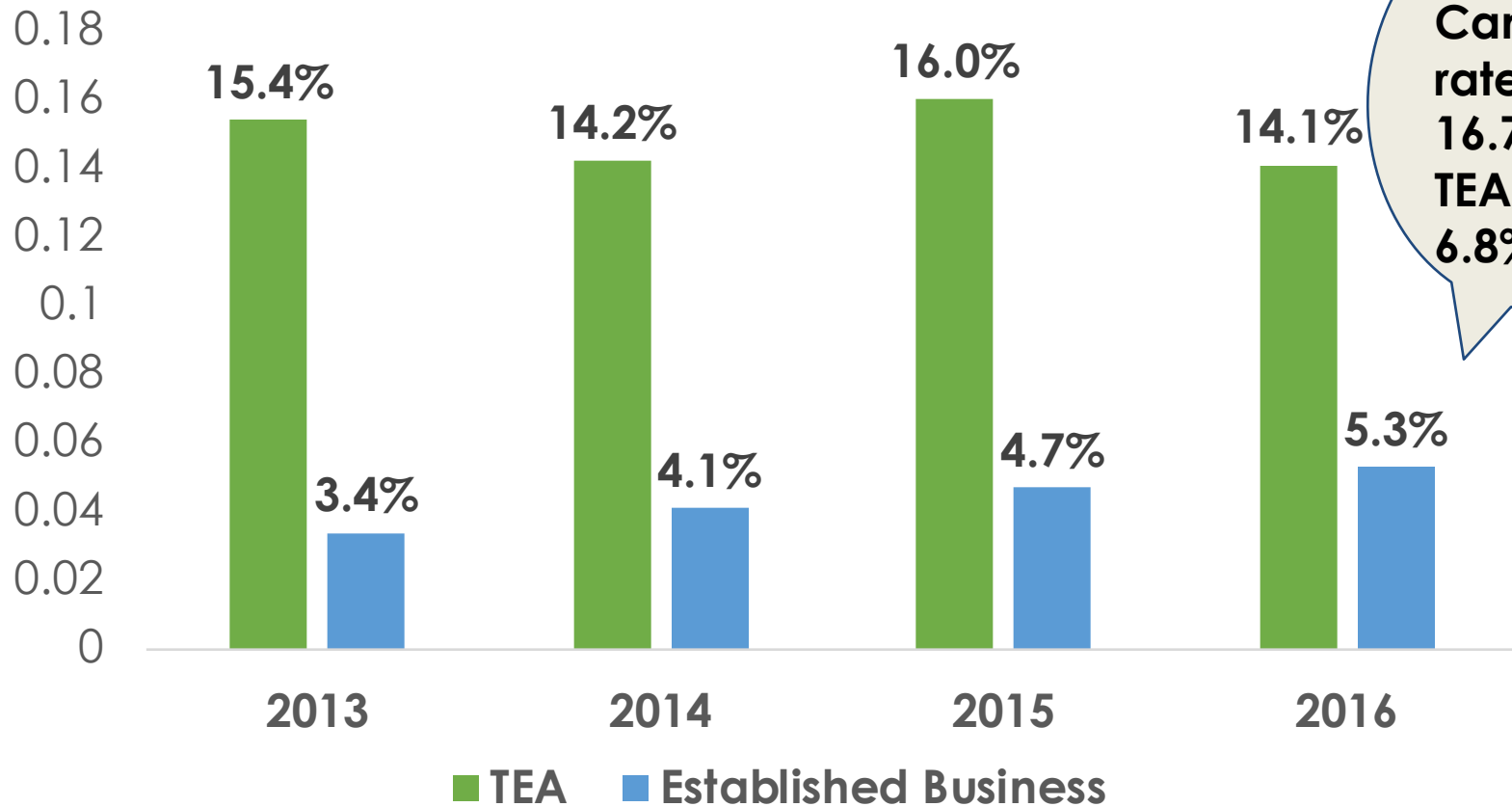
Perception of Canadian Youth Towards
Entrepreneurial Skills, by year (2013-2016)



Activity and Motivations



Youth TEA slightly lower than national average, Established Business rate on the rise



Canadian Youth Total TEA Share versus Established Business Activity, by year (2013-2016)



Youth Motivations are changing:
Independence increasing, need for
personal income less of a factor

youth
entrepreneurs
are opportunity
driven

Motivations	2013	2014	2015	2016
Greater Independence	46.7	32.7	41.4	62.5
Increase Personal Income	43.3	52.7	43.1	30.0
Just to Maintain Income	5.0	3.6	0	7.5
None of These	5	10.91	15.5	0

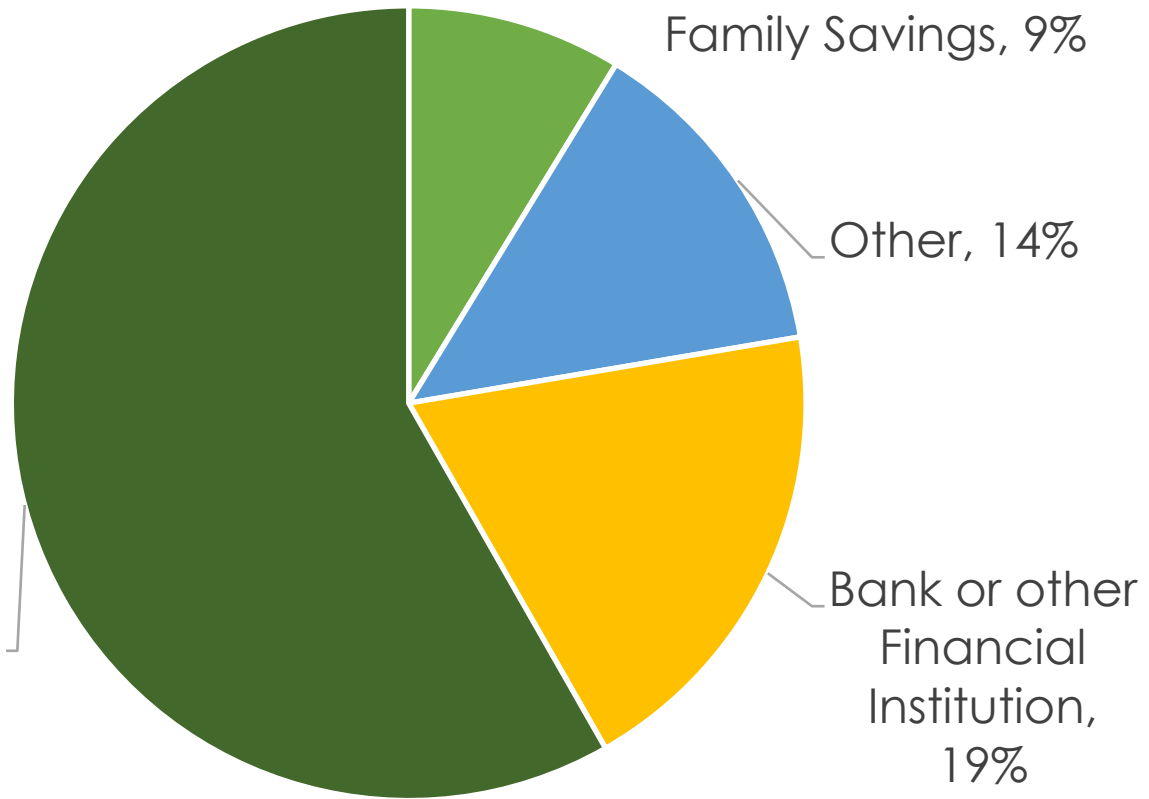
Motivations of Opportunity Driven Canadian
Youth Entrepreneurs, by year (2013-2016)



Personal Savings are the biggest source of data, Informal investors are on the rise

2014 data

Personal Savings, 58%



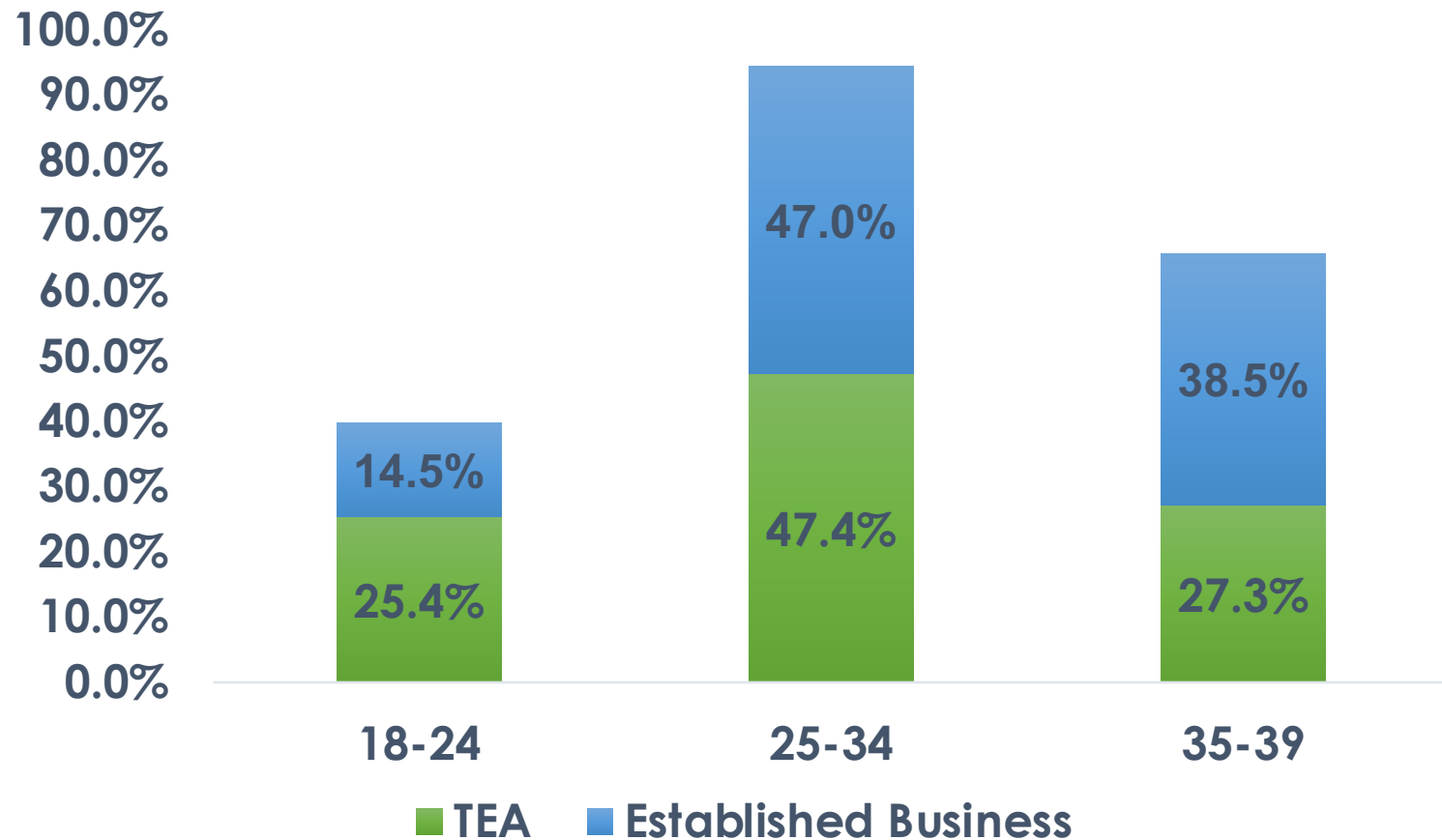
	2013	2014	2015	2016
% Informal Investors	4.6%	4.8%	6.2%	11.0%
Mean Amount Invested	10,964	23,551	16,371	16,899



Demographics



It is not only “young” youth entrepreneurs that need support, there continues to be the need to assist with the start-up and maintenance of entrepreneurial ventures in all age demographics

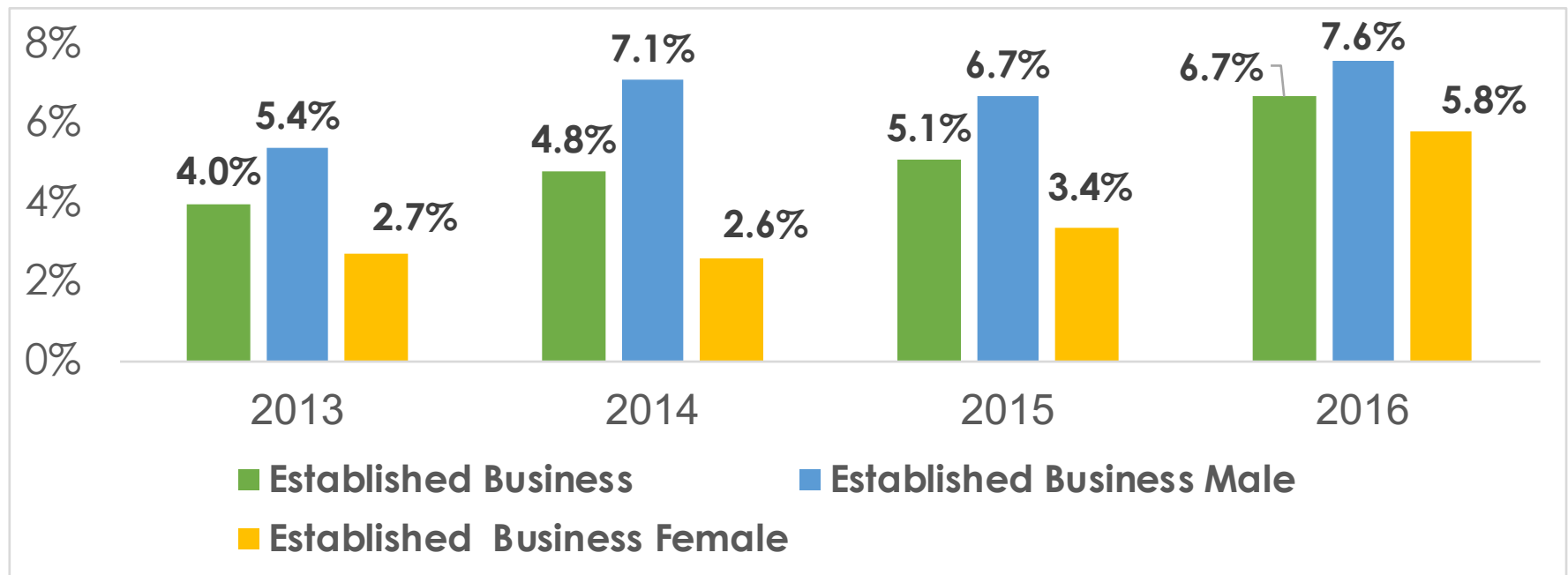


Share Total of TEA and Established Business Rates for Canadian Youth Entrepreneurs by Age, cumulative % (2013-2016)



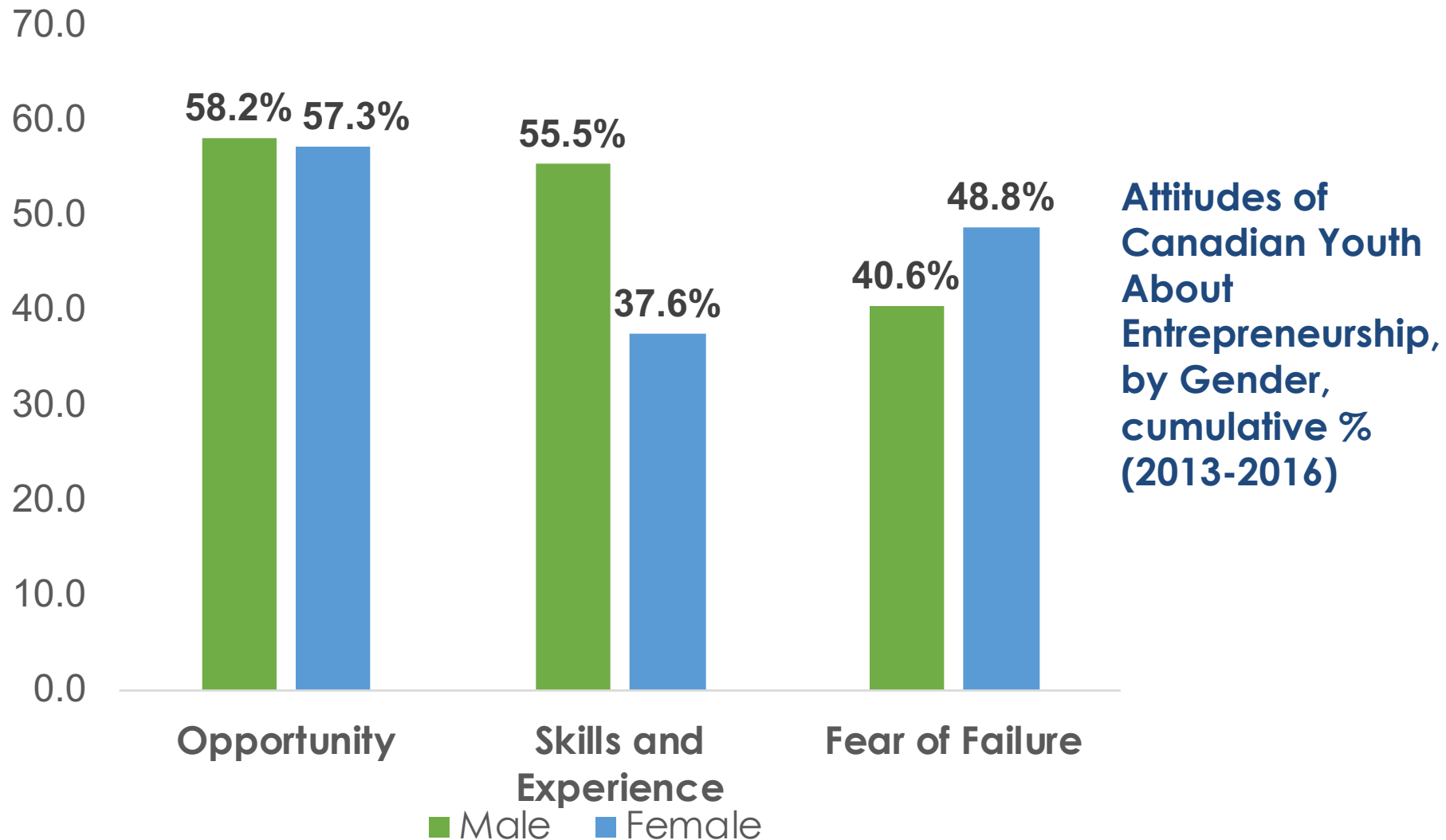
There is a gender gap for Canadian Youth Entrepreneurs

- Canadian GEM surveys have shown that the gap between men and women TEA has been smaller in Canada than in other developed countries. This is not case for Canadian youth.
- It would seem female youth entrepreneurs are more likely to engage in TEA but perhaps not maintain their ventures as an established business.
- Established business in the rise for female youth.



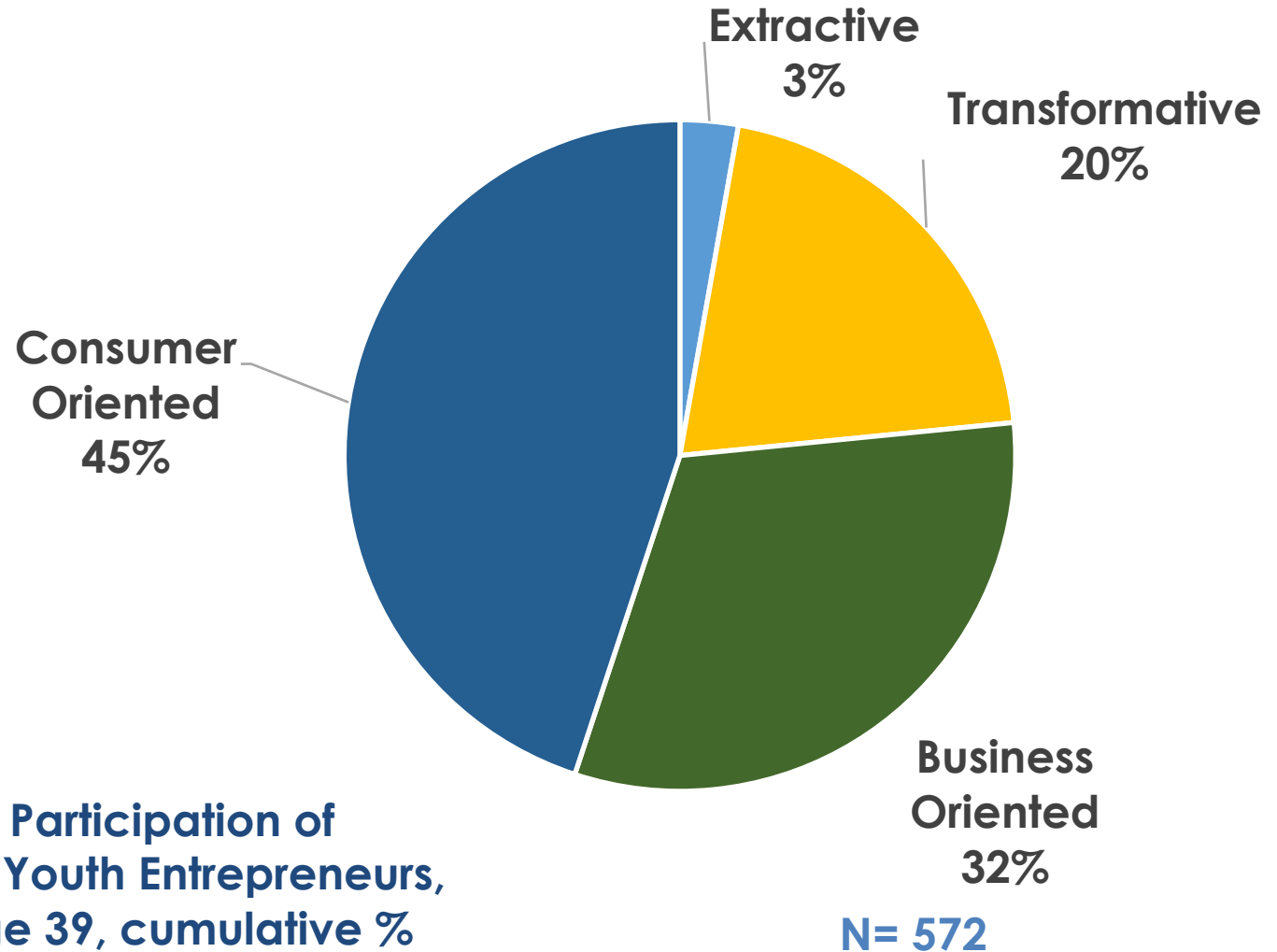


Female Youth Entrepreneurs underplay skills and express more fear of failure





Consumer Oriented Services are the most common career choice for Youth Entrepreneurs



TEA Sector Participation of
Canadian Youth Entrepreneurs,
Total to Age 39, cumulative %
(2013-2016)

Other Demographics

- Most of the early-stage youth entrepreneurs in Canada have a higher-level education, 80% of all three groups possessing either a secondary diploma or a post-secondary degree. Higher than the United States (the GEM 2015 report indicated that only 51.8% of young entrepreneurs in the USA have at least a postsecondary degree).
- Ontario and Alberta stand out as hubs for youth entrepreneurship. This data conforms with provincial breakdowns discussed in past GEM reports and has been explained by low infrastructure costs and a culture of entrepreneurship.

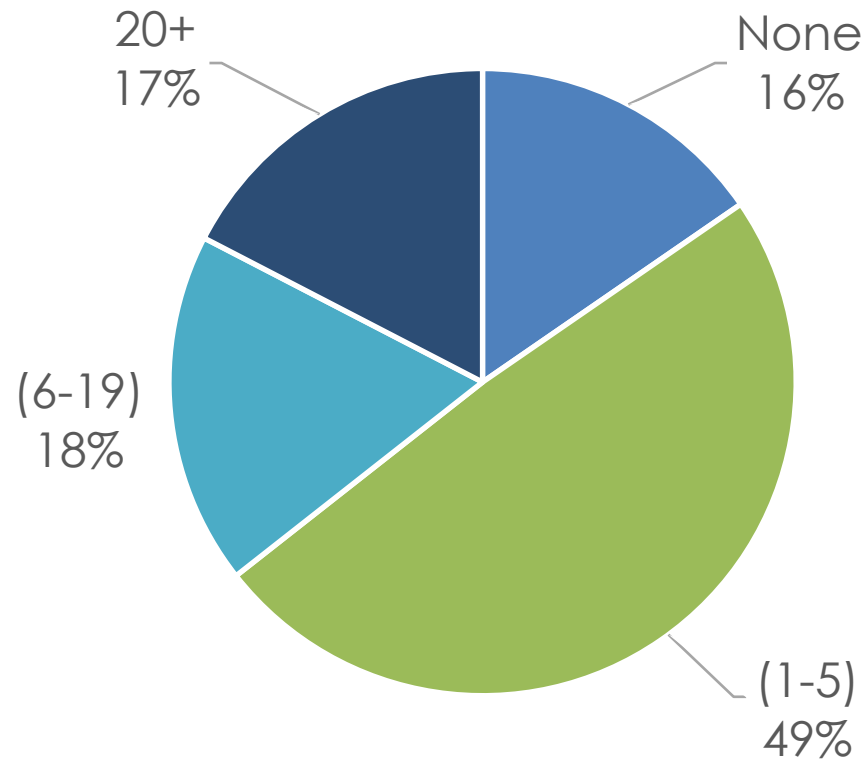




Aspirations



Canadian youth entrepreneurs are optimistic about the future and not aiming exclusively for sole proprietor businesses



Job Aspirations in Five Years of Canadian Youth Entrepreneurs, Total to Age 39, cumulative % (2013-2016)



A little over half of firms plan for a small but identifiable export market

Market Expansion of All Canadian Youth Entrepreneurs, cumulative % (2013-2016)

Market expansion	None	Some (no new tech)	Some (with new tech)	Profound
%	48	38.7	9.1	4.3



Canadian Youth Entrepreneurs believe their product or service is novel to customers, fewer are convinced they face no competition

**Novelty (Unfamiliarity) of Product or Service of TEA
Canadian Youth Entrepreneurs, Cumulative % (2013-2016)**

Novelty	All	Some	None
%	17.2	38.4	44.3

**Competition of Product or Service of TEA Canadian Youth
Entrepreneurs, Cumulative % (2013-2016)**

Others offer	Many	Few	None
%	41.4	46.9	11.6

Recommendations



- Take advantage of (and encourage) positive perceptions about entrepreneurship as a good career choice, deserving of high status.
- Provide additional funding opportunities and supports for youth entrepreneurs and youth investors.
- Increase training and funding for groups that may need more help in building their entrepreneurial capital (such as female youth entrepreneurs).
- Target supports, capitalizing on the different strengths of the youth demographic (high growth expectations of the 18-24 years old cohort, the balanced TEA and established business aspirations of the 25-34 year old cohort, the unique contribution of the 35-39 year old cohort to more diverse sector participation and TEA).
- Collect additional baseline data on youth entrepreneurship.



**Sincere thanks to
supporters of GEM Report on Youth
Entrepreneurship in Canada**



**Ontario Centres of
Excellence**

Where Next Happens

futurpreneur
canada™

A graphic element consisting of a cluster of small green dots arranged in a pattern that suggests movement or a network, located to the right of the "futurpreneur" text.



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