



Global
Entrepreneurship
Monitor

Driving Wealth Creation & Social Development in **Canada**

**GEM Canada 2025-26
Report Launch**

June 24, 2026





GEM Canada Report Launch: Agenda

10:00 - Introduction by Dr. Peter Josty, THECIS

10:05 - Presentation by Dr. Geoff Gregson: Key highlights:
GEM Canada 2025/26 Report

10:35 - Panel discussion and Q&A

- **Dr. Tasha Richard**, Asst. Professor, Department of Business & Social Sciences, Dalhousie University
- **Professor Étienne St-Jean**, Département de Management, Université du Québec à Trois-Rivières
- Dr. Geoff Gregson, Dr. Chad Saunders, report co-authors

11:00 - End



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.”



GEM: Key Definitions (2)

- **Total early-stage Entrepreneurial Activity (TEA):**
new business activity which is less than 42 months old but more than 3 months
- **Established business ownership (EBO):** a business in existence for over 42 months



Methodology

Findings based on data drawn from the **GEM Adult Population Survey** (APS), collected from June to mid-August 2025

National Expert Survey (NES): questionnaire completed by 36 country experts to assess 13 framework conditions – resulting in scores that compare countries on a National Entrepreneurship Context index (NECI)

Highlights how Canada *measures up* regarding entrepreneurial activity

Comparisons made between Canada & five other G7 economies (USA, UK, Germany, France and Italy), i.e. **“G6”**



Canadian context in 2025

Canada's real GDP growth in 2025 was modest, slowing to 1.6%

Decrease in economy-wide output reflected lower activity among manufacturers & wholesalers, affected by U.S. tariffs

Growth in the value-added of services-producing industries slowed in every region

Employment growth stalled, affected by trade U.S. trade tensions

Federal government's agenda prioritized AI infrastructure, expanded SR&ED (Scientific Research and Experimental Development), strengthened Strategic Innovation Fund, and Buy Canadian procurement to boost domestic scale ups & IP commercialization



Policy changes to support entrepreneurship included:

- Launching Canadian Entrepreneurs' Incentive (CEI) to lower the inclusion rate on certain capital gains & increase lifetime maximum
- Expanding "Buy Canadian" procurement strategy, making it obligatory for federal departments, agencies & Crown corporations to prioritize Canadian-made products
- Enhancing Business Development Bank of Canada (BDC) "Pivot to Grow" program to help SMEs with liquidity
- Introducing a CAN\$100 million initiative to support rural & remote entrepreneurs



REPORT FINDINGS



Perceptions of Entrepreneurial Skills

- **Three out of five Canadian adults** know someone who has recently started a business and see themselves as having the skills & experience to start their own business
- **Almost one in three Canadian adults** expect to start a business in the next 3 years, but over half of those seeing good opportunities would not start for fear it might fail

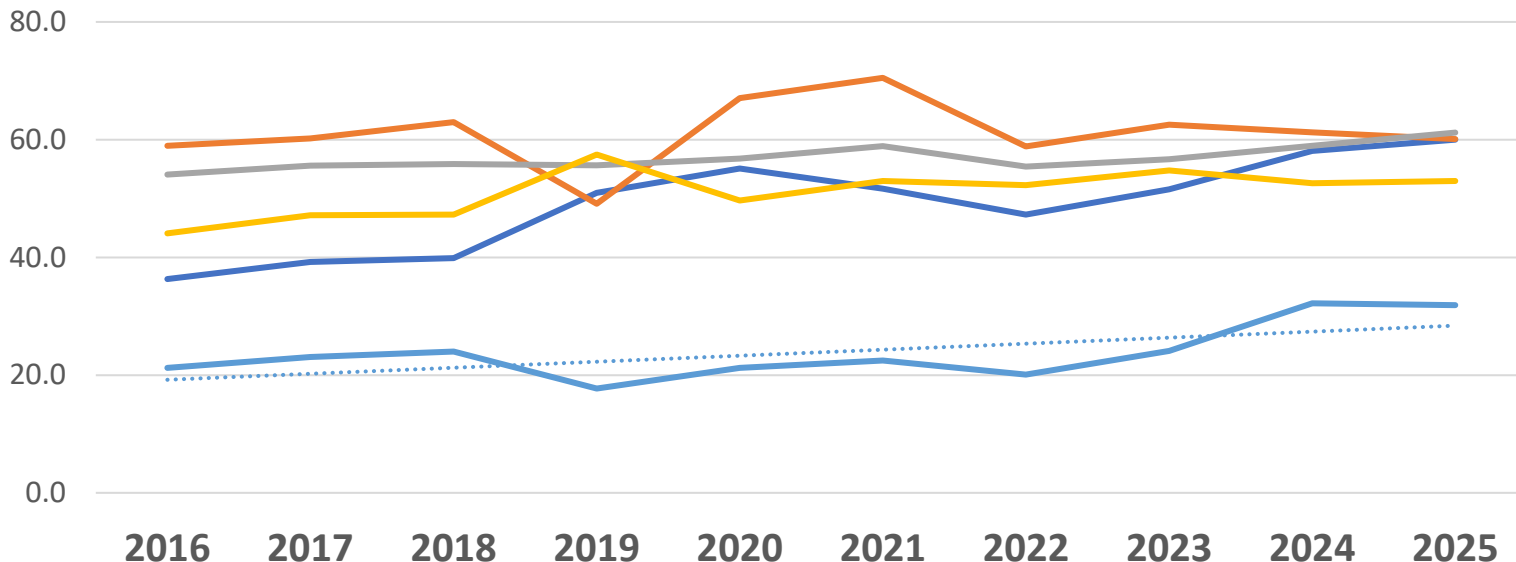
	Know Entrepreneurs	Perceived Opportunities	Perceived Capabilities	Fear of Failure	Entrepreneurial Intentions
2016	36.3	59.0	54.1	44.1	21.3
2017	39.2	60.2	55.6	47.2	23.1
2018	39.9	63.0	55.9	47.3	24.0
2019	51.0	49.1	55.6	57.5	17.7
2020	55.1	67.1	56.8	49.7	21.3
2021	51.7	70.5	58.9	53.0	22.5
2022	47.3	58.8	55.4	52.3	20.1
2023	51.6	62.6	56.7	54.8	24.1
2024	58.1	61.3	58.9	52.6	32.2
2025	60.0	60.1	61.2	53.0	31.9



key insights: entrepreneurial skills

Canada: The highest percentage increase over 10 years (2016-2025) is in 'knowing entrepreneurs' (+24%), and 'entrepreneurial intentions' (+11%)

- 'Perceived opportunities' show the highest fluctuation level, while 'perceived capabilities' rate shows the lowest level of fluctuation



The 'fear of failure' rate has increased by 9% over the 10-year period

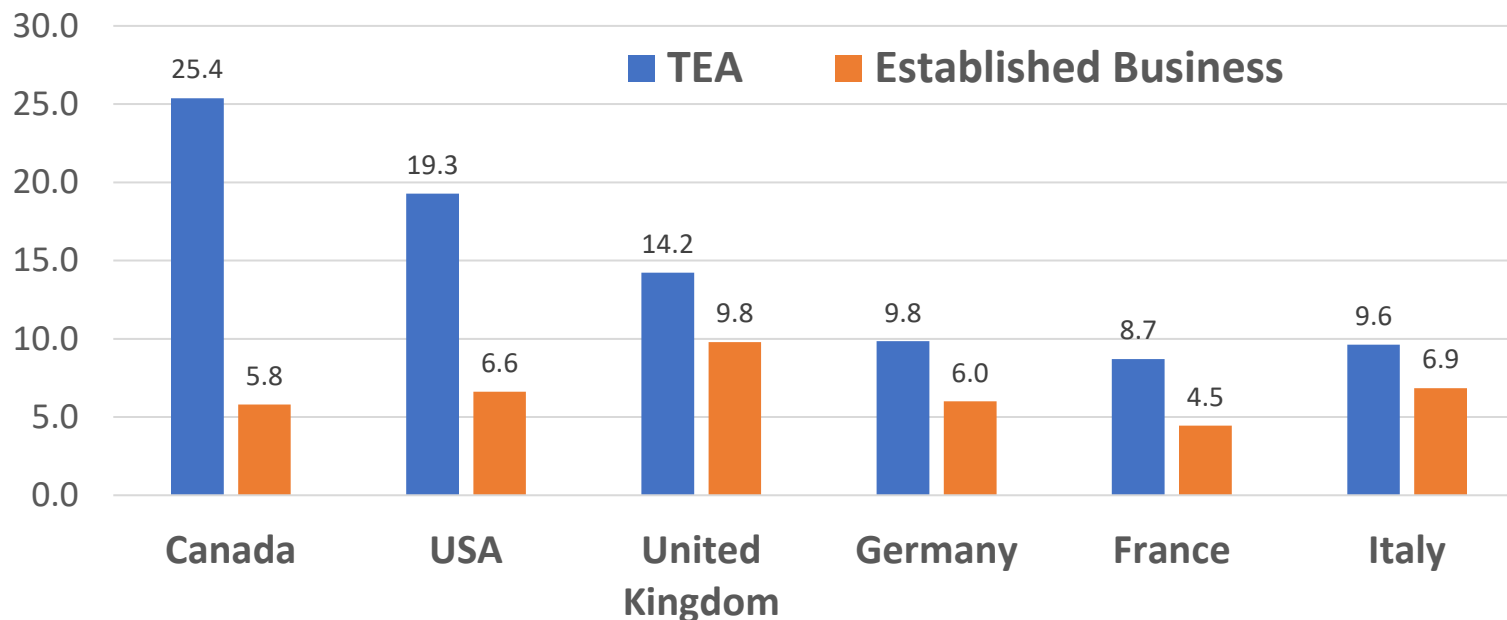
— Know Entrepreneurs
— Perceived Capabilities
— Entrepreneurial Intentions
— Perceived Opportunities
— Fear of Failure
— Linear (Entrepreneurial Intentions)



Entrepreneurial Activity

Canada: shows the highest level of total early-stage entrepreneurial activity (TEA) compared to other G6 economies in 2025

- Canada was one of five (out of 53) GEM economies that showed significantly higher TEA among foreign-born adults
- Canada was one of eight GEM economies where four or more adults were starting or running a new business for every adult owning an established business

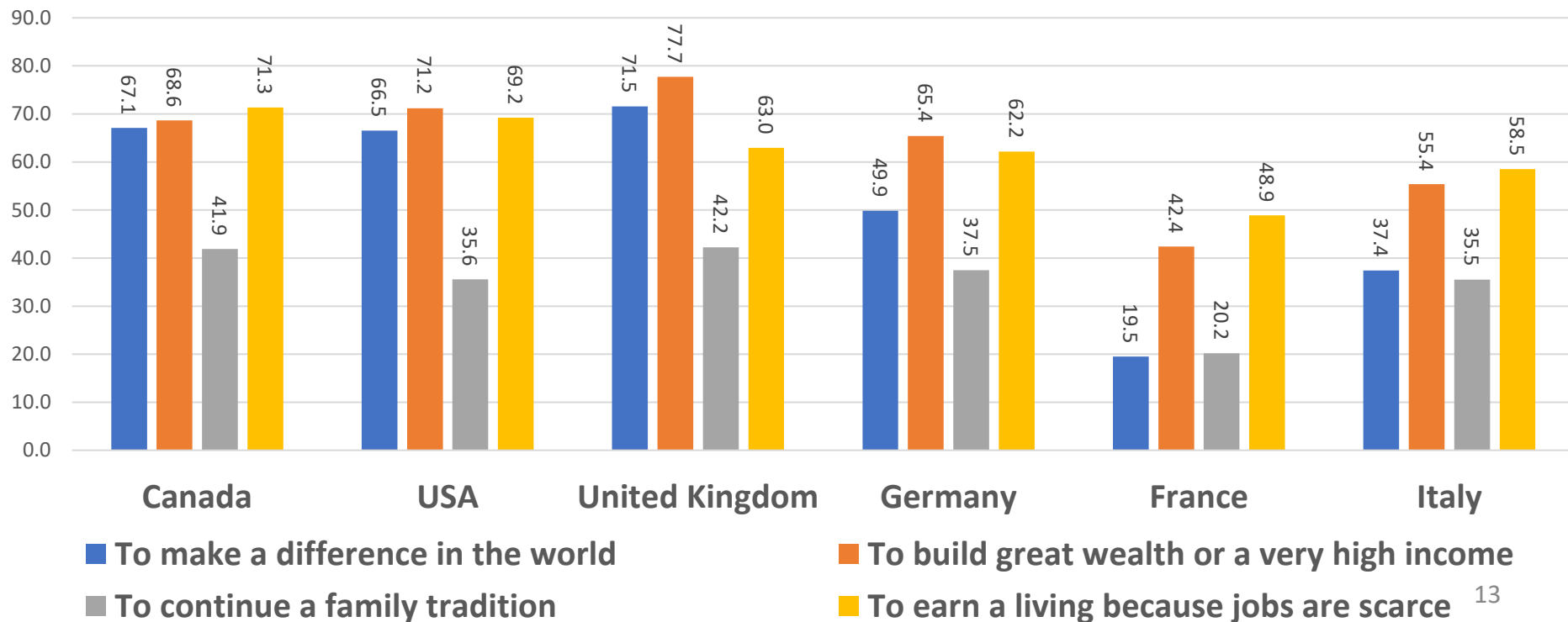


**TEA and EBO
Rates: G6
Comparisons**

Entrepreneurial Motivations

- Two out of three Canadian early-stage entrepreneurs are motivated to engage in entrepreneurial activity 'to earn a living because jobs are scarce'
- Possible explanation: increasing numbers of early-stage entrepreneurs perceive limited employment options, reflecting labor market conditions, expectations & individual experiences that may diverge from reported economic indicators

TEA Motivations: G6 Comparisons



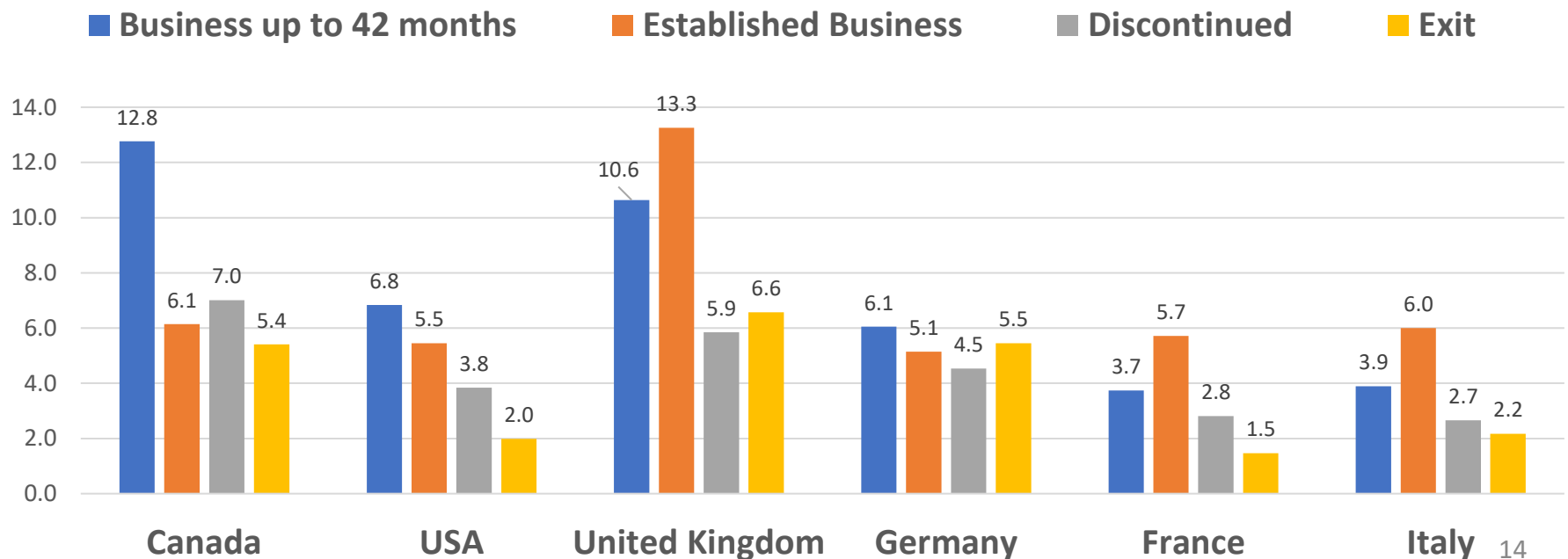


Business Discontinuation and Exits

Canada: highest rate of business discontinuance amongst G6 economies.

- Canadian adults who exited a business in the past 12 months are more likely to intend to start another business than those who have not exited a business
- Approximately two in five exits were associated with positive motives in 2025

Life Cycle of Entrepreneurship

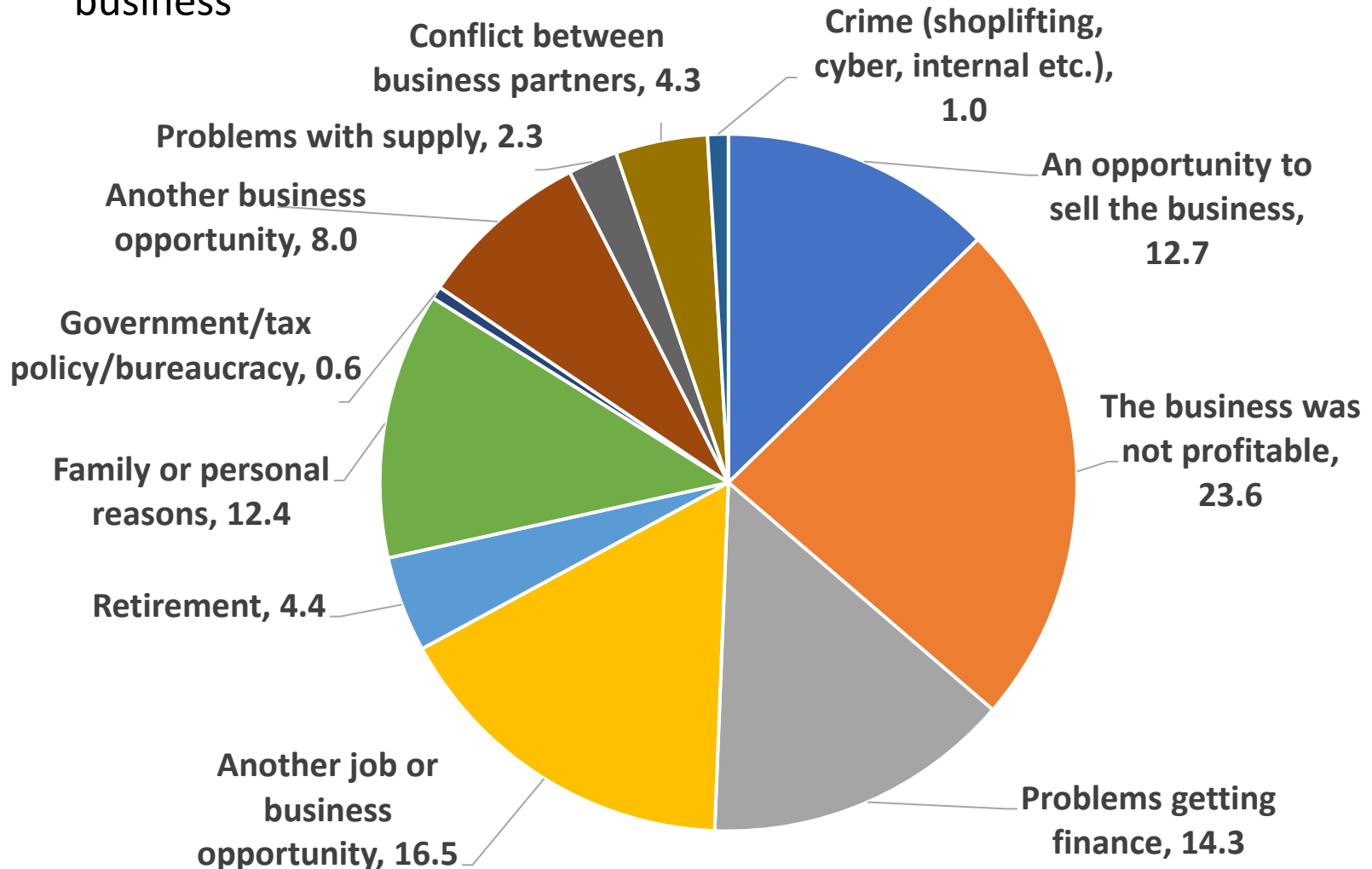




Reasons for Discontinuation

Highest rated factor: business is not profitable. Canada led G6 in problems getting finance

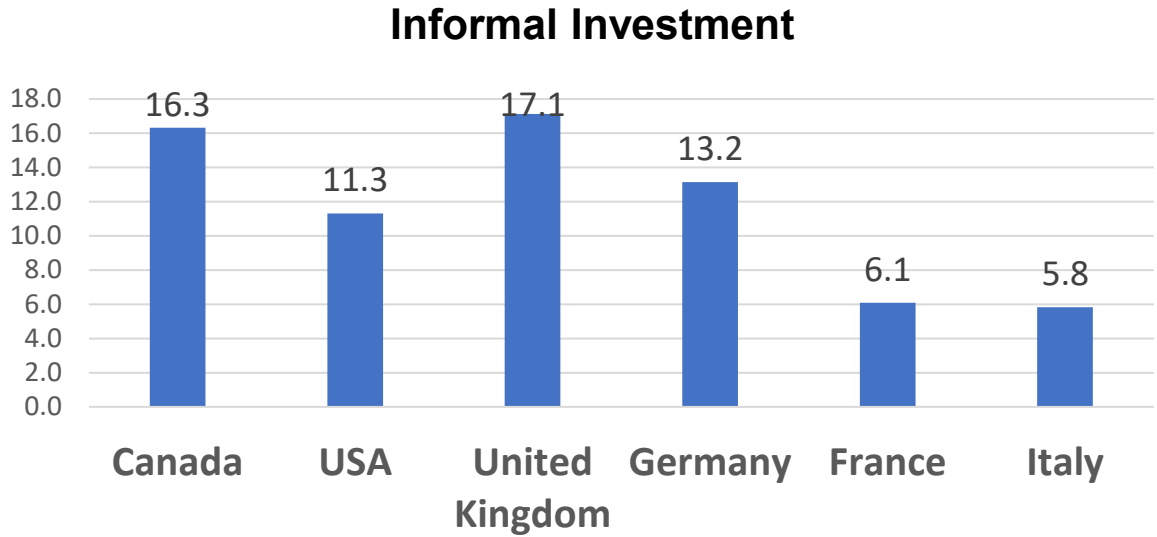
- Most significant change from 2024: 6% decrease in opportunity to sell the business



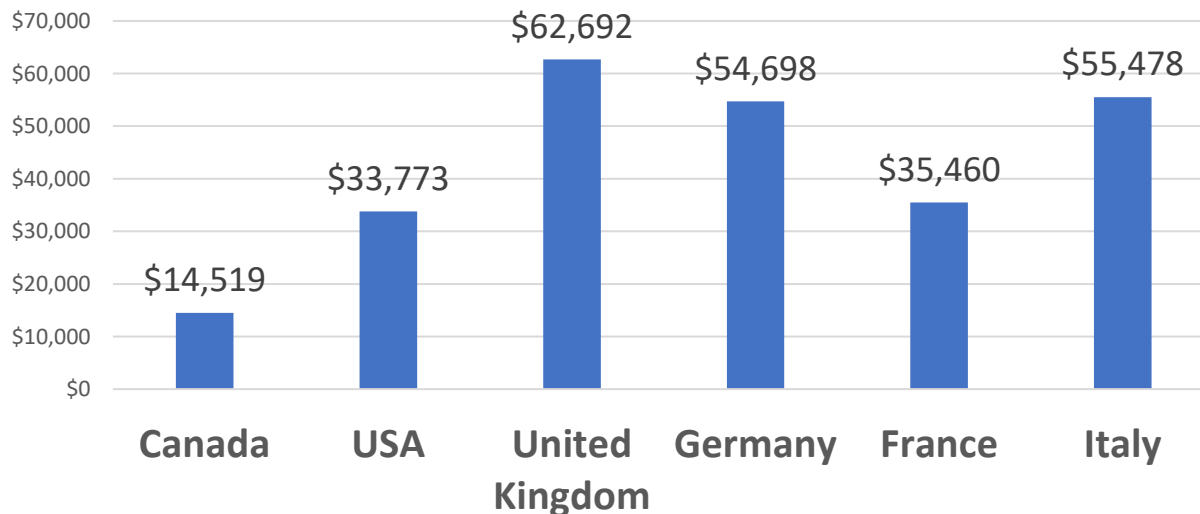


Informal Investment

Canada: 2nd amongst G6 in identifying informal investment as an important source of funds, but lowest in average level of funds



Informal Investment: Average Level of Funds (US\$)



Canada's average level of funds increased by over \$9k from the 2024 level

Angel data suggests challenges for Canadian start-ups accessing seed funding compared to U.S.

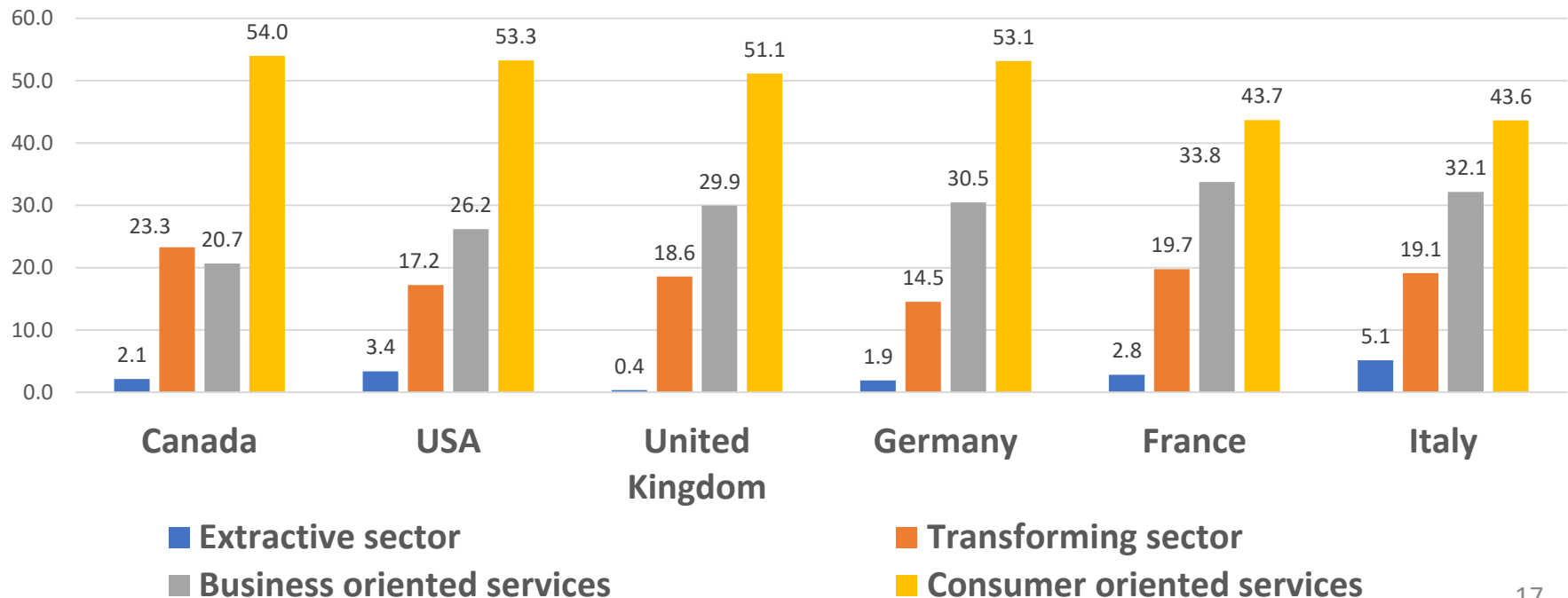


Entrepreneurship in the Economy

Canada: Consumer-oriented services accounted for the largest share of both TEA and EBO activity

- Canada's higher value 'transforming sector' level increased in 2025 to the highest level amongst G6 economies

Distribution by sector (TEA)

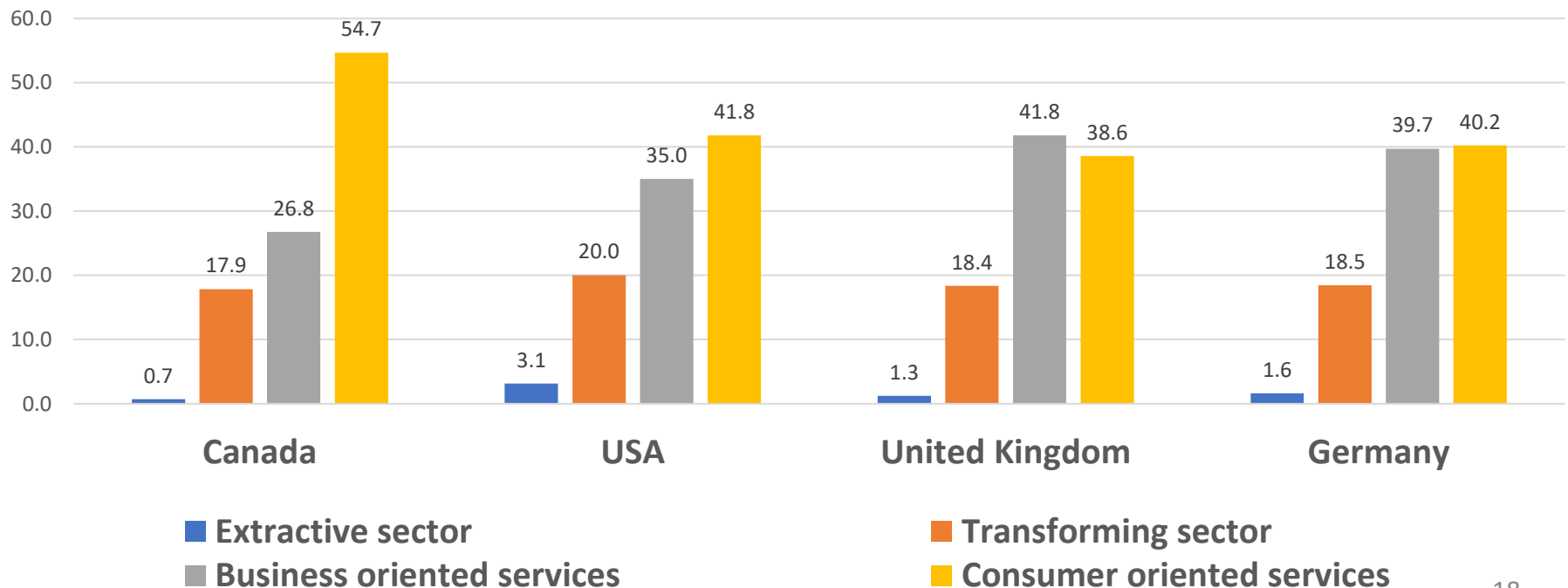




Established Business Ownership (EBO) Levels by Sector

- Canada's EBO rate in consumer-oriented services has increased by 23% in the past 3 years
- Possible explanations: Increased growth and investments in data analytics and AI; lower levels of market competition compared to USA, UK, and Germany

Distribution by sector (EBO)





Job Creation

5-Year Growth Aspirations: Canada, 2019-25

	TEA any jobs now or in 5 years	TEA expects more than 19 jobs in 5 years	TEA: High job expectation (10+ jobs & over 50% in 5 years)	EBO: High job expectation (10+ jobs & over 50% in 5 years)	TEA: Active in tech sectors (high or medium)	EBO: Active in tech sectors (high or medium)
2019	12.2	3.0	18.2	8.8	4.6	5.9
2020	9.8	2.1	12.9	4.4	5.5	4.4
2021	12.7	2.6	15.9	12.2	8.4	9.5
2022	10.0	2.2	17.4	6.4	5.6	8.6
2023	13.1	3.9	20.0	17.6	6.1	7.2
2024	16.4	3.6	16.7	9.7	5.8	11.6
2025	18.6	6.4	24.2	12.8	4.6	7.0
2024 vs 2025	+2.2	+2.8	+7.5	+3.1	-1.2	-4.6

- One in four new Canadian entrepreneurs are anticipating employing six or more people in five years' time
- High growth aspirations for early-stage entrepreneurs reached their highest levels since 2019 but Canada showed the lowest EBO growth aspirations amongst G6 economies in 2025

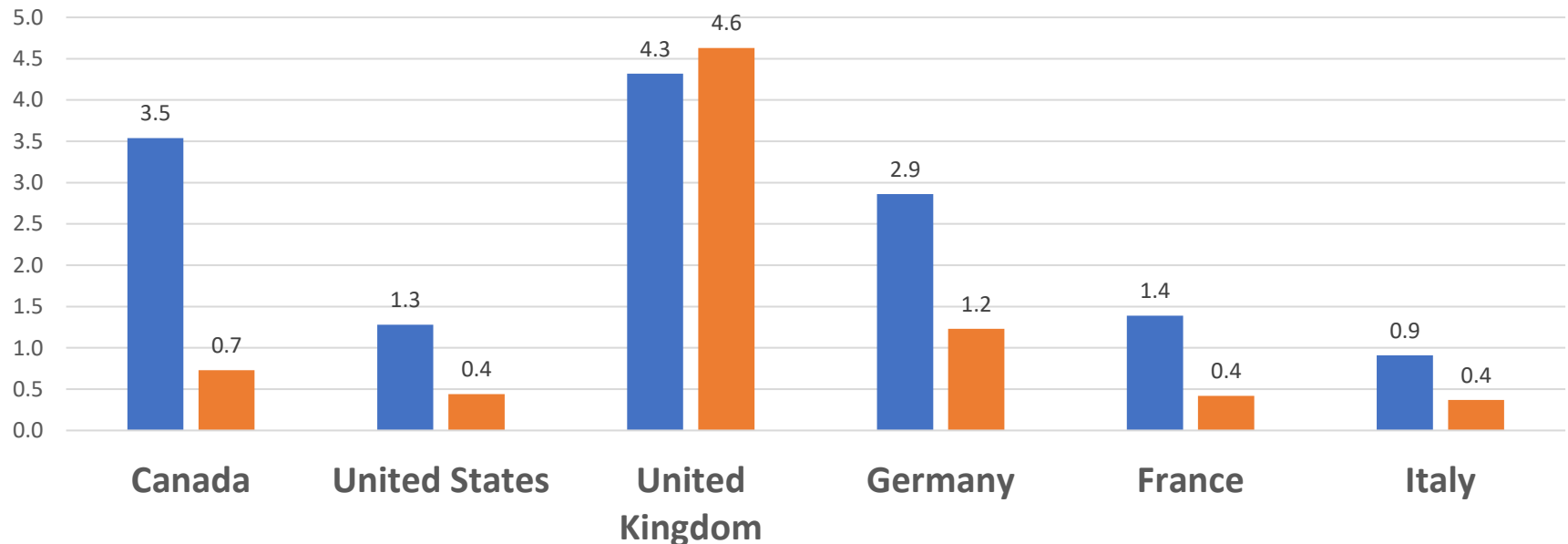


Export Orientation

Canada: One in three new entrepreneurs had customers beyond Canada in 2025, suggesting a high export orientation

- Revenue growth through export did not increase for Canada's established businesses, which may relate to trade uncertainties impacting businesses with existing trade ties & customers in the U.S.

High Export Orientation by Revenue

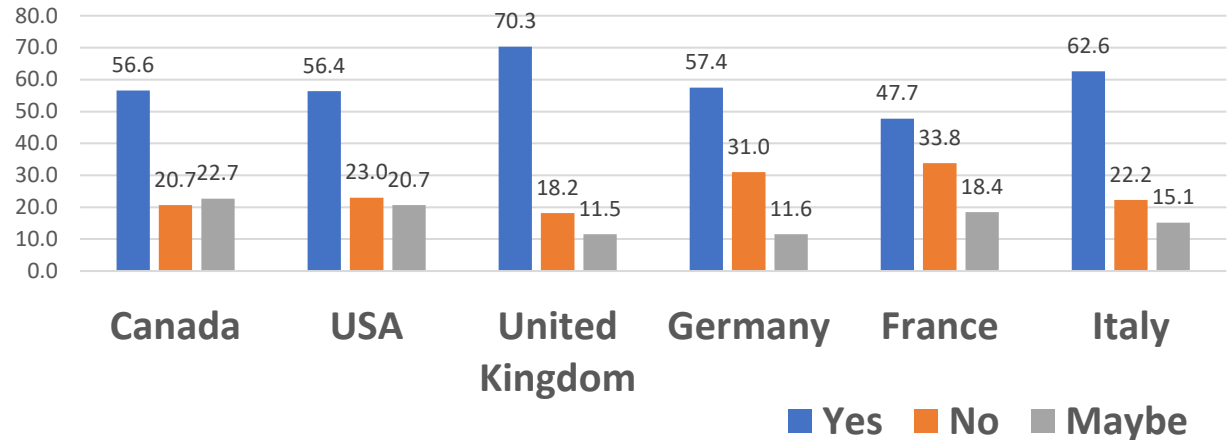




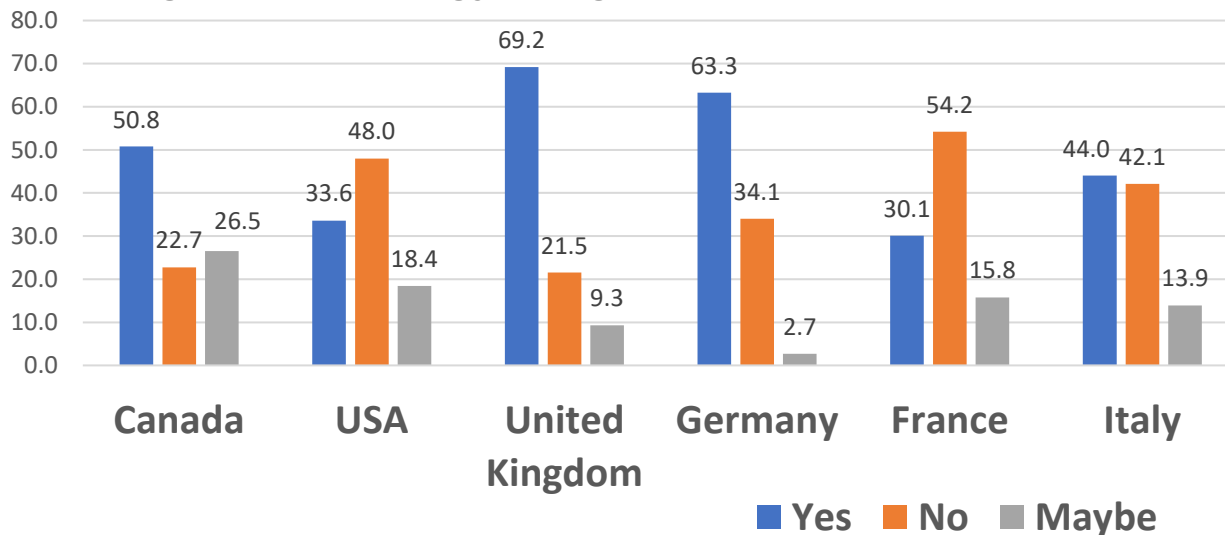
Digital Technology Usage

Almost six in ten Canadian entrepreneurs used digital technologies to sell their products, with four in ten using data analytic tools & cloud computing

Digital Technology Usage, TEA: G6 Comparisons



Digital Technology Usage, EBO: G6 Comparisons



Canada's level of digital usage for established businesses remains below its level for new businesses, and is below UK and Germany



Artificial Intelligence (AI) Usage

- Three in ten Canadian entrepreneurs are currently using artificial intelligence (AI) and anticipate AI to become very important 3 years from now
- Current AI usage by established businesses is lower than for new entrepreneurs
- More than half of Canadian entrepreneurs believe that introducing AI would significantly improve productivity
- More than half of Canadian entrepreneurs perceive data security and privacy concerns as major potential drawbacks of introducing AI
- While many Canadian entrepreneurs recognize AI's productivity potential, Canada shows a low level of entrepreneurs that consider **AI to become central to their business** in the near future

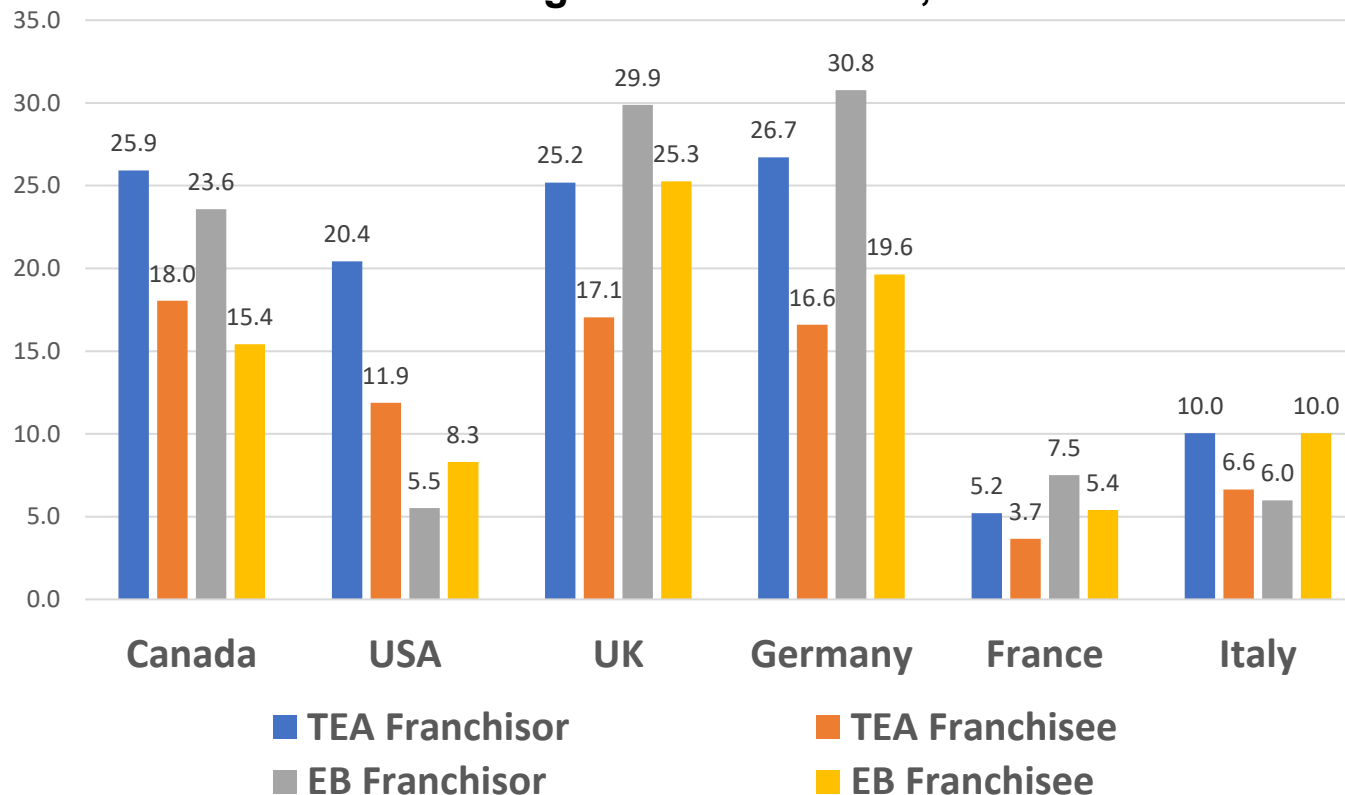


Franchising Orientation

Canada: Shows the highest level of early-stage franchisees and 2nd highest level of early-stage franchisors amongst G6 economies

- Canada ranks 3rd for established business franchisors but near the bottom of the G6 for established business franchisees

Franchising Orientation: TEA, EBO



GEM data suggests that more than one in ten established businesses in Canada are based on the franchise model

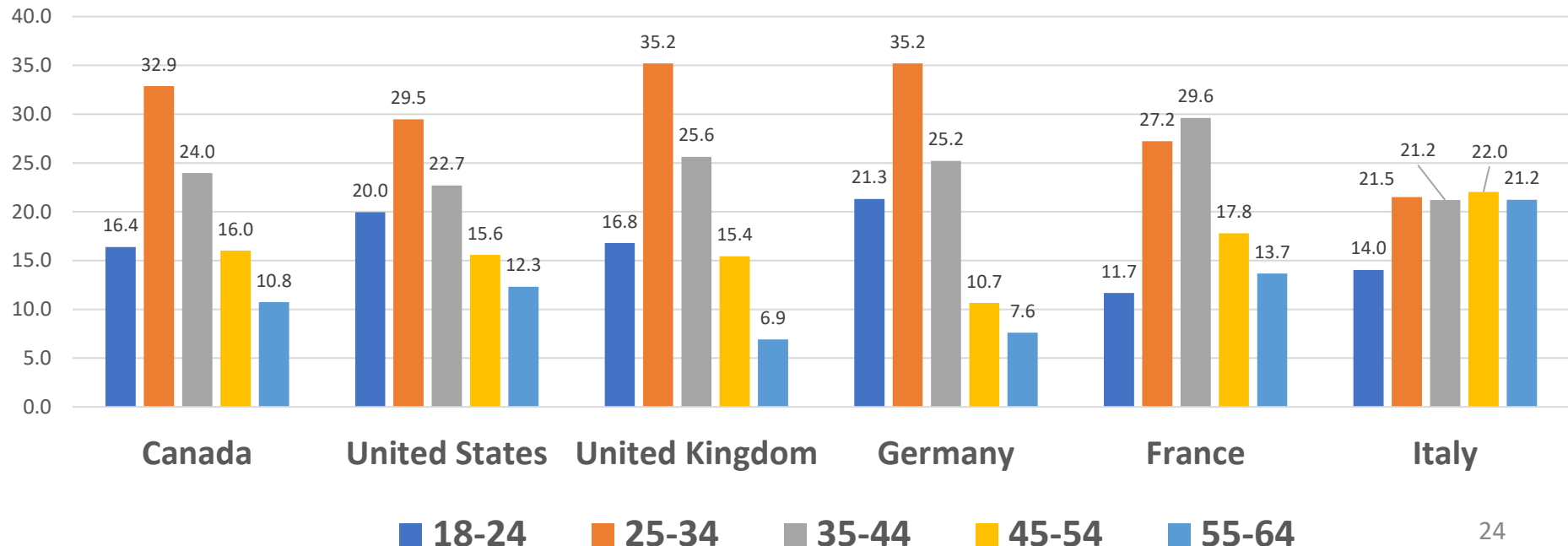


Demographics of Entrepreneurship

Canada: Canada's highest rate of total early-stage entrepreneurial activity comes from 25-34 age group, followed by 35-44 age group

- Canada's gap between younger and older people starting or running a business has decreased in 2025, with the past few years seeing fewer 18–24-year-old Canadians engaging in entrepreneurship

TEA Rates for Canadian Entrepreneurs by Age



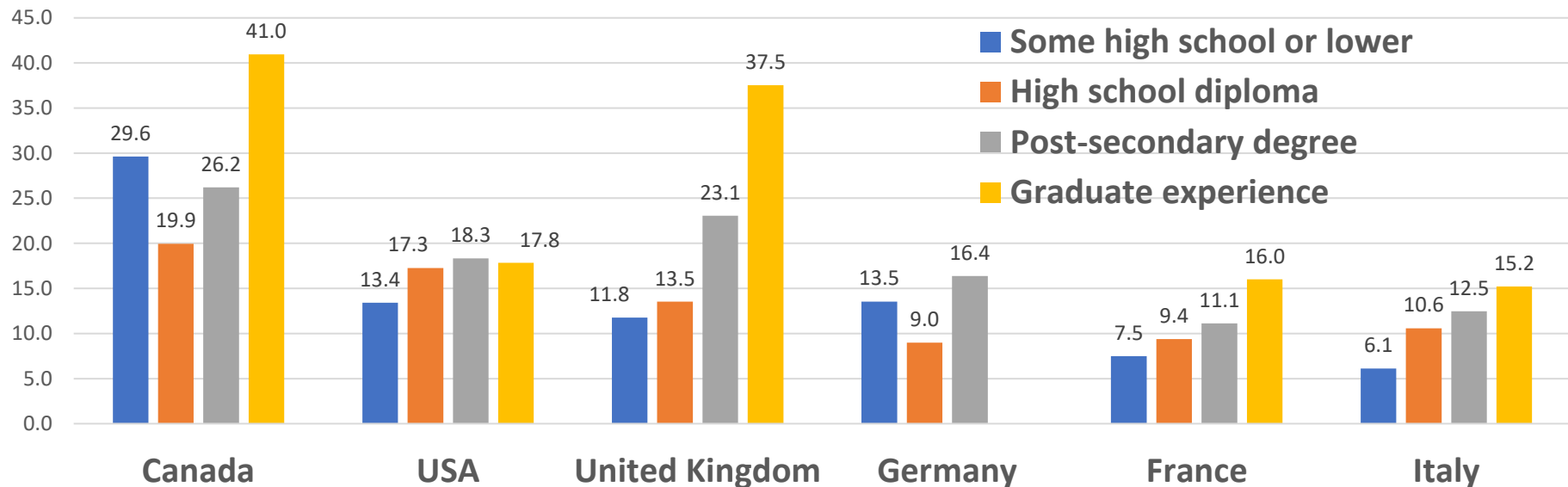


Education Levels

Canada: highest rates across all educational levels in G6

- Two-thirds of early-stage entrepreneurs in Canada have a postsecondary degree or higher, placing Canada amongst the leading GEM economies in formal educational attainment
- Canada's level of 'graduate education' shows a significant increase (+10%) in 2025 while its level of 'some high school or lower' decreased by 6% from 2024

TEA Educational levels



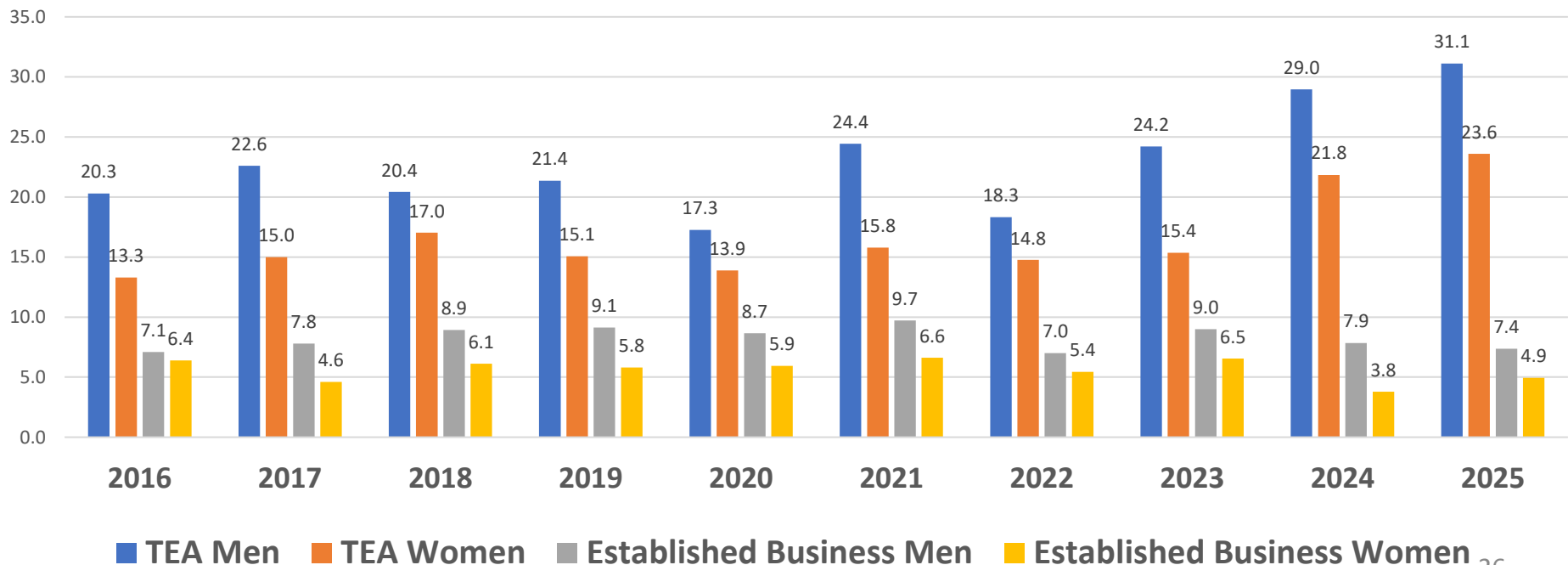


Gender

Canada: Total early-stage entrepreneurial activity rates for Canadian men and women both increased slightly in 2025, with Canada's relative gender gap also increasing

- Canada's gender gap is less pronounced for established businesses than for early-stage entrepreneurship in comparison to other G6 economies

TEA and EBO Rates by Gender: Canada (2016-25)

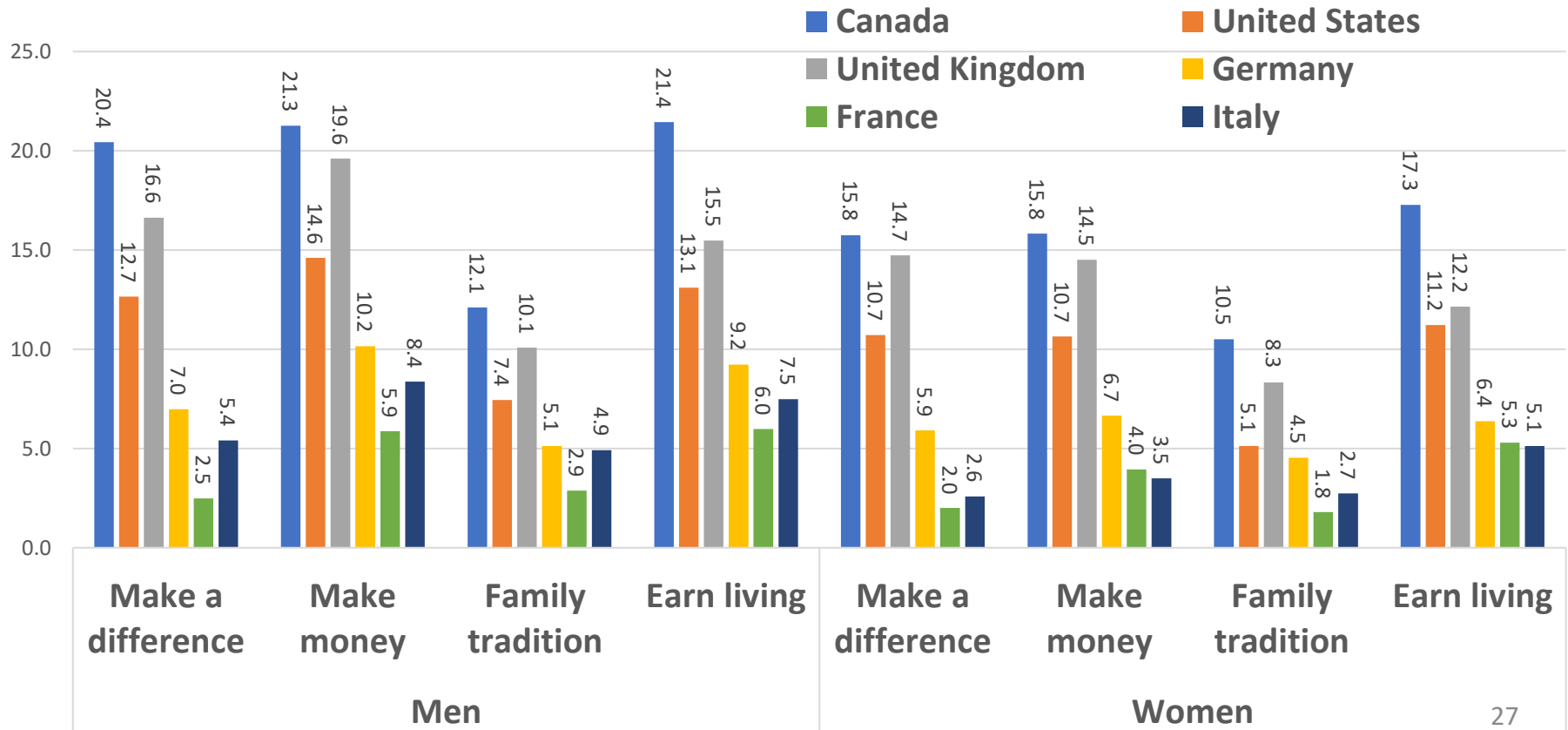




Gender Motivations

- Canada shows highest levels for all four measures amongst G6 economies
- Four out of ten Canadian men and three out of ten Canadian women are primarily motivated by economic necessity to engage in entrepreneurial activity

TEA Motivations by Gender: G6 Comparisons





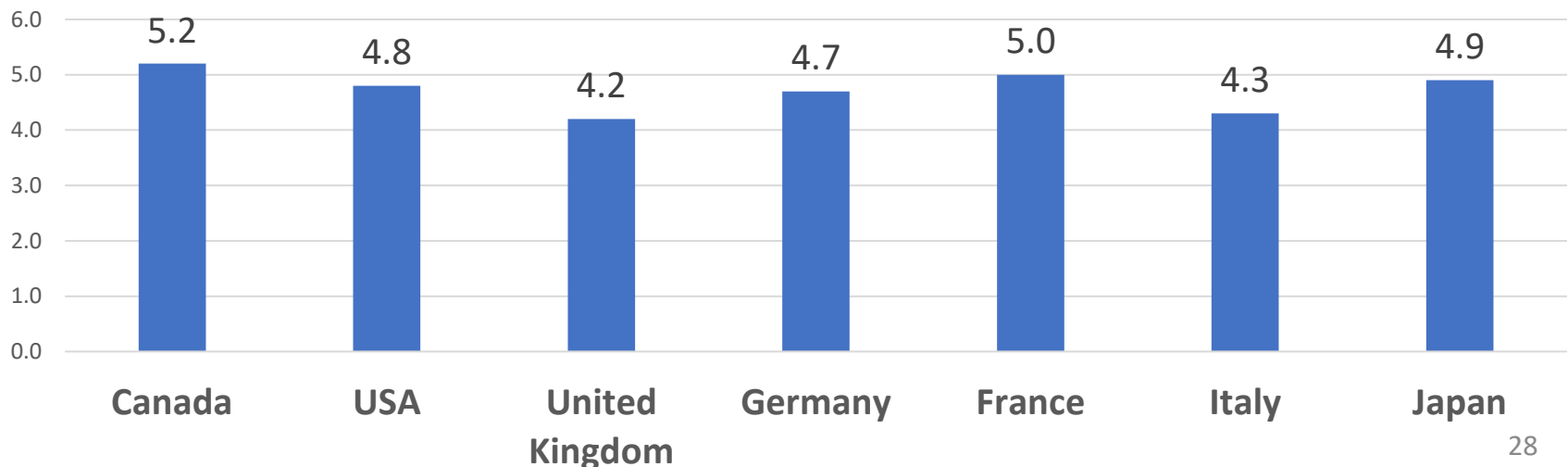
Framework Conditions for Entrepreneurship

NECI (**n**ational **e**ntrepreneurship **c**ontext **i**ndex) is average of pooled expert scores across 13 framework conditions

Canada: NECI showed a strong improvement from 2024, elevating Canada to 14th out of 53 GEM economies

- All 13 entrepreneurial framework condition (EFC) scores improved
- Notable gains in: Entrepreneurial Education Post-School, Social & Cultural Norms, and Ease of Entry: Burdens & Regulation

NECI Ratings: G6 Comparisons





Entrepreneurial Framework Condition Scores: G3 Comparisons

Entrepreneurial Framework Conditions	Canada 2024	Canada 2025	USA	UK
Sufficiency of financing for entrepreneurs	4.4	4.9	4.7	4.2
Easiness to get financing for entrepreneurs	4.1	4.8	4.2	3.6
Government concrete policies, priority and support	3.9	4.6	3.6	3.7
Government policies bureaucracy, taxes	4.8	5.2	5.2	4.4
Government programs	4.5	5.1	3.8	3.7
Entrepreneurial level of education at Primary and Secondary	3.7	4.4	3	2.7
Entrepreneurial level of education at Vocational, Professional, College and University	4.5	5.4	4.7	4.1
R&D level of transference	4.1	4.6	3.5	3.6
Professional and commercial infrastructure access	5.2	6	6	5.1
Internal market dynamics	4.9	5.7	5.9	6
Internal market burdens	4	5	4.1	4.3
General physical infrastructures and services access	6.6	6.6	6.6	4.7
Cultural, social norms and society support	4.7	5.7	7	4.7



Canada's NECI Performance

Out of Canada's 13 Framework Conditions, eight met the sufficiency threshold (≥ 5.0), compared to just two in 2024

Canada had no conditions in the global top 10 in 2025, but ranked in the global top 20 for:

- Commercial and Professional Infrastructure
- Ease of Entry: Burdens and Regulation
- Social and Cultural Norms

Overall, Canada's entrepreneurial ecosystem shows strong momentum, with improvements across all Framework Conditions



Recommendations

1 Target Canada's Weak Start-up Transition to Established Businesses

Many Canadian businesses are being created but too few are surviving long enough to anchor durable employment, innovation and export capacity

Transitional support will require a multi-level policy mix and well-defined implementation features that include:

- Targeted finance
- Hands-on business development
- Market access
- Talent and regulatory supports
- Data-driven scaleup programs



2 Target Support for Entrepreneurship in Business-oriented Services

Professional, scientific, and technical services (PSTS) are one of Canada's highest-growth SME sectors

GEM data shows Canada lagging in this sector, for both early-stage entrepreneurship and established businesses

Further study is suggested to understand why Canada appears to be falling behind other advanced economies



3 Encourage Creative Policy & Programs to Support Entrepreneurial Diversity

Two in five Canadian adults who recognize good business opportunities are deterred by fear of failure

A high proportion of Canadian entrepreneurs cite “social purpose” as a motivator for starting their own business

The coexistence of multiple motivations should be recognized, as entrepreneurs often respond to overlapping economic, social, and personal factors

For policymakers, this requires flexible support mechanisms that reflect the diversity of motivations across contexts



4 Support Canadians Affected by Labor Market Conditions

The rise in self-employment is evident in Canada's economic landscape, as more people work for themselves

Prioritizing support for entrepreneurship as an alternative career path takes on greater urgency with the adoption of advanced technologies such as AI across public and private sectors, where job losses and reduced employment opportunities are forecasted



5 Promote Adoption of Digital Tools & Support Digital Transformation for New & Established Businesses

Canada's established businesses show a low level of usage of digital technology, which suggests that many existing businesses are not keeping pace with digital adoption

More effort is needed to empower Canadian entrepreneurs to be at the forefront of technological transformation, e.g.:

- Adopting and shaping AI tools
- Leveraging digital marketing to reach local & global audiences
- Deploying emerging technologies to address environmental and social challenges

Panel Discussion

