

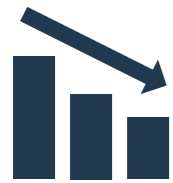
# Entrepreneurship in the United States 2015

**#1** GEI rank out of **130 countries**

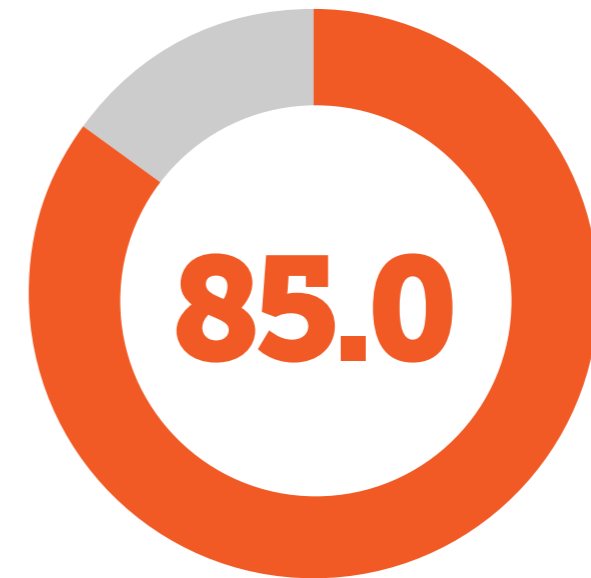
**#1** Regional rank in **North America**



Best performance area:  
**Risk Capital**

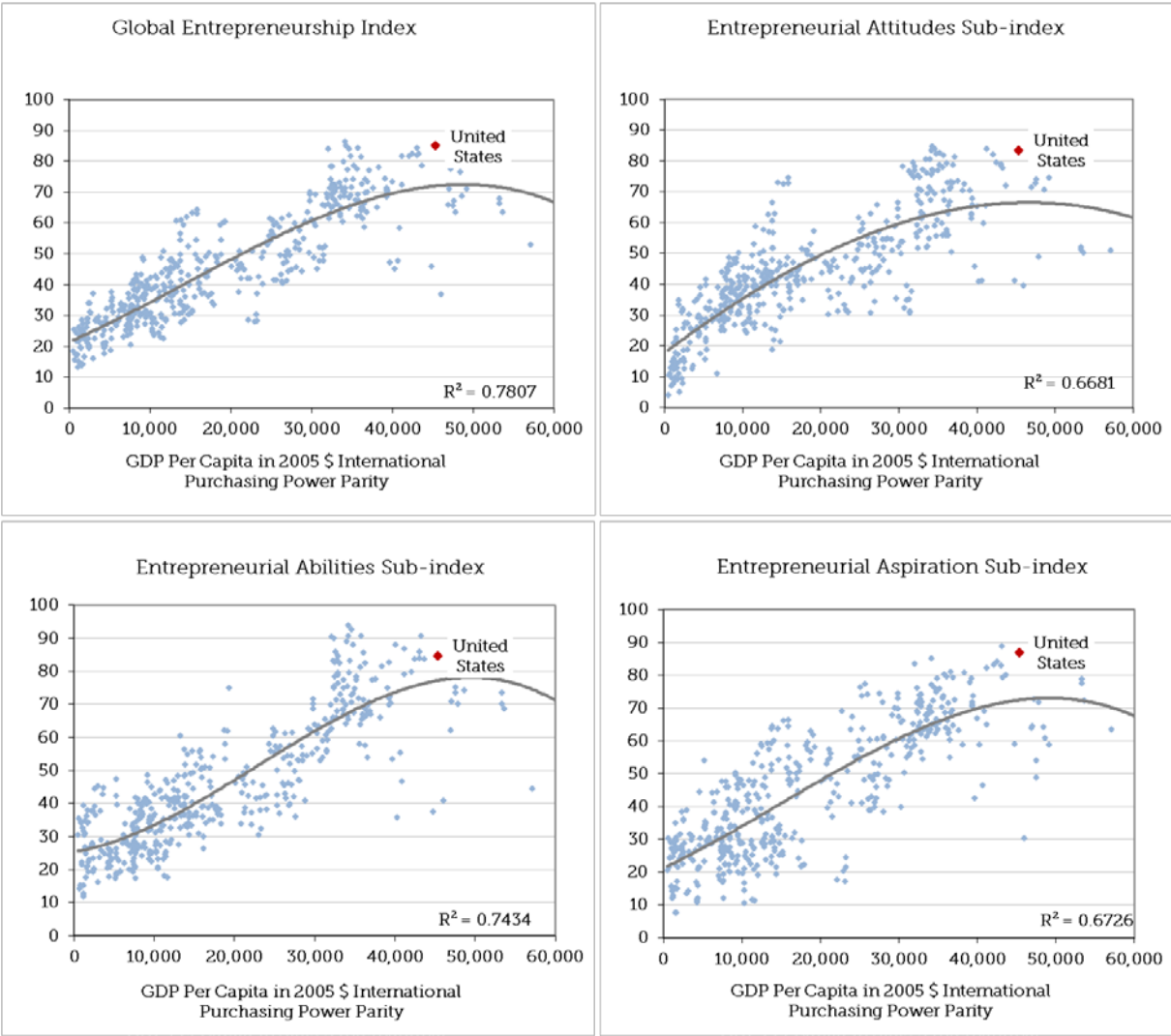


Worst performance area:  
**Networking**



GEI score:  
**85.0** out of **100**

Relative position in terms of the per capita GDP trend



The United States performs better than the expected level (given GDP) for overall GEI as well as for all three sub-indices Entrepreneurial Attitudes, Entrepreneurial Abilities, and Entrepreneurial Aspiration.

## 2015 GEI rank



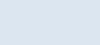

GEI Rank	Countries	Per capita GDP International \$ (WB)	GEI	ABE
1	United States	45336	85.0	87.6
2	Canada	36067	81.5	81.9
3	Australia	35608	77.6	81.4
4	United Kingdom	32514	72.7	73.6
5	Sweden	34926	71.8	77.3
6	Denmark	32291	71.4	78.6
7	Iceland	33819	70.4	74.8
8	Taiwan	34817	69.1	72.3
9	Switzerland	39294	68.6	74.1
10	Singapore	53266	68.1	74.2
11	Germany	35453	67.4	74.4
12	France	29819	67.3	75.2
13	Netherlands	36466	66.5	71.4
14	Finland	31611	65.7	69.5
15	Norway	47517	65.6	70.3
16	Belgium	32680	65.5	69.2
17	Ireland	36102	65.3	74.9
18	Austria	36340	64.9	73.1
19	Chile	15848	63.2	67.9
20	United Arab Emirates	36267	61.6	66.0
21	Estonia	19070	60.2	73.5
22	Israel	27882	59.9	65.9
23	Luxembourg	65798	57.2	70.5
24	Qatar	71931	56.2	68.1
25	Turkey	13737	54.6	55.2
26	Lithuania	18785	54.6	63.8
27	Latvia	15757	54.5	55.6
28	Korea	27991	54.1	68.7
29	Slovenia	24495	53.1	63.4
30	Portugal	21056	50.8	54.3
31	Saudi Arabia	27346	49.6	54.1
32	Spain	26089	49.6	56.0
33	Japan	31429	49.5	59.8
34	Puerto Rico	30248	48.9	52.1
35	Czech Republic	23824	48.9	53.8
36	Colombia	9143	47.9	53.0
37	Kuwait	40637	47.7	52.3
38	Poland	18307	47.4	53.7
39	Oman	39665	47.3	53.1
40	Hong Kong	44770	45.9	55.0
41	Slovakia	21185	45.4	50.2
42	Romania	11946	45.3	50.4
43	Bahrain	21543	45.1	50.7
44	Bulgaria	12176	42.7	56.1
45	Hungary	17073	42.7	54.8
46	Cyprus	23452	42.5	44.5
47	Greece	21275	42.0	43.7
48	Uruguay	13821	41.4	53.3
49	Italy	26920	41.3	49.1
50	Lebanon	12592	40.7	52.9
51	Croatia	16002	40.6	46.2
52	South Africa	9655	40.0	53.7
53	Malaysia	14822	40.0	50.3
54	Montenegro	10602	39.1	46.3
55	Costa Rica	11156	37.7	59.3
56	Argentina	16425	37.2	38.1
57	Moldova	2951	37.2	53.6
58	Macedonia	9323	37.1	58.3
59	Barbados	23205	37.1	41.8
60	Brunei Darussalam	45979	36.9	58.5
61	China	7958	36.4	45.8
62	Paraguay	5290	36.0	55.6
63	Tunisia	8442	35.5	68.4
64	Ukraine	6394	33.6	47.4
65	Jordan	5289	33.3	67.8

GEI Rank	Countries	Per capita GDP International \$ (WB)	GEI	ABE
66	Botswana	14109	33.0	43.9
67	Panama	14320	32.2	59.7
68	Thailand	8463	32.1	60.8
69	Namibia	6520	31.9	53.9
70	Russia	15177	31.7	34.7
71	Sri Lanka	5384	31.1	60.3
72	Lao PDR	2522	31.1	46.4
73	Libya	10073	31.0	41.7
74	Peru	9431	30.9	37.6
75	Mexico	13067	30.7	33.4
76	Albania	8123	30.6	59.1
77	Dominican Republic	8794	30.6	51.9
78	Serbia	9683	30.6	36.1
79	Algeria	7400	30.2	41.7
80	Honduras	3657	29.8	37.6
81	El Salvador	6125	29.6	57.9
82	Morocco	4573	29.4	46.8
83	Bosnia	7356	28.9	54.7
84	Nigeria	2295	28.9	36.6
85	Vietnam	3318	28.8	48.8
86	Kenya	1522	28.5	50.8
87	Nicaragua	3510	28.4	36.9
88	Kazakhstan	11978	28.4	43.1
89	Trinidad & Tobago	23260	28.4	47.5
90	Ecuador	8443	28.2	45.9
91	Egypt	5795	28.1	45.3
92	Bolivia	4552	28.0	44.8
93	Gabon	13811	27.7	36.4
94	Iran	10754	27.7	43.5
95	Philippines	3801	27.7	55.0
96	Senegal	1671	27.3	42.8
97	Jamaica	7528	27.2	47.3
98	Cambodia	2150	26.3	42.4
99	Rwanda	1167	26.2	43.3
100	Brazil	10264	25.8	27.4
101	Gambia, The	1667	25.6	42.5
102	Benin	1364	25.6	24.5
103	Liberia	560	25.5	50.8
104	India	3390	25.3	36.2
105	Ghana	1764	24.8	41.8
106	Mozambique	882	24.3	43.9
107	Côte d'Ivoire	1757	24.1	40.5
108	Tanzania	1380	23.6	46.1
109	Myanmar	6677	23.1	35.1
110	Zambia	1474	23.0	42.5
111	Angola	5262	22.7	33.3
112	Venezuela	11623	22.6	22.9
113	Mali	1055	22.5	38.4
114	Burkina Faso	1298	22.1	43.3
115	Cameroon	2025	22.0	56.2
116	Madagascar	843	22.0	38.4
117	Sierra Leone	1171	21.6	42.0
118	Swaziland	4522	21.4	49.4
119	Mauritania	2244	21.1	37.4
120	Indonesia	4272	21.0	38.7
121	Suriname	7641	20.7	40.8
122	Guatemala	4397	20.3	35.8
123	Pakistan	2402	20.1	51.1
124	Burundi	483	18.4	35.8
125	Ethiopia	971	17.2	44.8
126	Chad	1870	16.6	32.7
127	Guyana	2930	16.2	28.4
128	Malawi	660	15.6	18.9
129	Uganda	1165	15.1	54.5
130	Bangladesh	1622	14.4	28.0

The United States scores 1st out of 130 countries in the 2015 GEI. The United States' GEI score is the highest observed score at 85.0, the next highest score is Canada at 81.5, and the lowest observed score is Bangladesh at 28.0.

Performance on individual variables, institutional variables and the fourteen pillars (all average adjusted normalized scores)

Pillars		Institutional Variables		Individual Variables		
Entrepreneurial Attitudes	Opportunity perception	1.00	Market Agglomeration	1.00	Opportunity Recognition	0.74
	Start-up skills	1.00	Tertiary Education	1.00	Skill Perception	0.74
	Risk acceptance	0.88	Business Risk	1.00	Risk Acceptance	0.66
	Networking	0.63	Internet Usage	0.94	Know Entrepreneurs	0.49
	Cultural support	0.83	Corruption	0.86	Career Status	0.70
<b>Entrepreneurial Attitudes</b>		<b>83.4</b>				
Entrepreneurial Abilities	Opportunity startup	0.73	Economic Freedom	0.90	Opportunity Motivation	0.72
	Technology absorption	0.86	Tech Absorption	0.93	Technology Level	0.88
	Human capital	0.94	Staff Training	0.86	Educational Level	0.93
	Competition	1.00	Market Dominance	0.87	Competitors	1.00
<b>Entrepreneurial Abilities</b>		<b>84.7</b>				
Entrepreneurial Aspirations	Product innovation	0.84	Technology Transfer	0.96	New Product	0.71
	Process innovation	0.88	GERD	0.94	New Tech	0.62
	High growth	0.87	Business Strategy	0.92	Gazelle	0.83
	Internationalization	0.94	Globalization	0.72	Export	1.00
	Risk capital	1.00	Capital market	1.00	Informal Investment	0.90
<b>Entrepreneurial Aspirations</b>		<b>86.8</b>				
GEI		<b>85.0</b>	Institutional	<b>0.92</b>	Individual	<b>0.78</b>

Performance quartile	
Bottom 25%	
25%-50%	
50%-75%	
Top 25%	

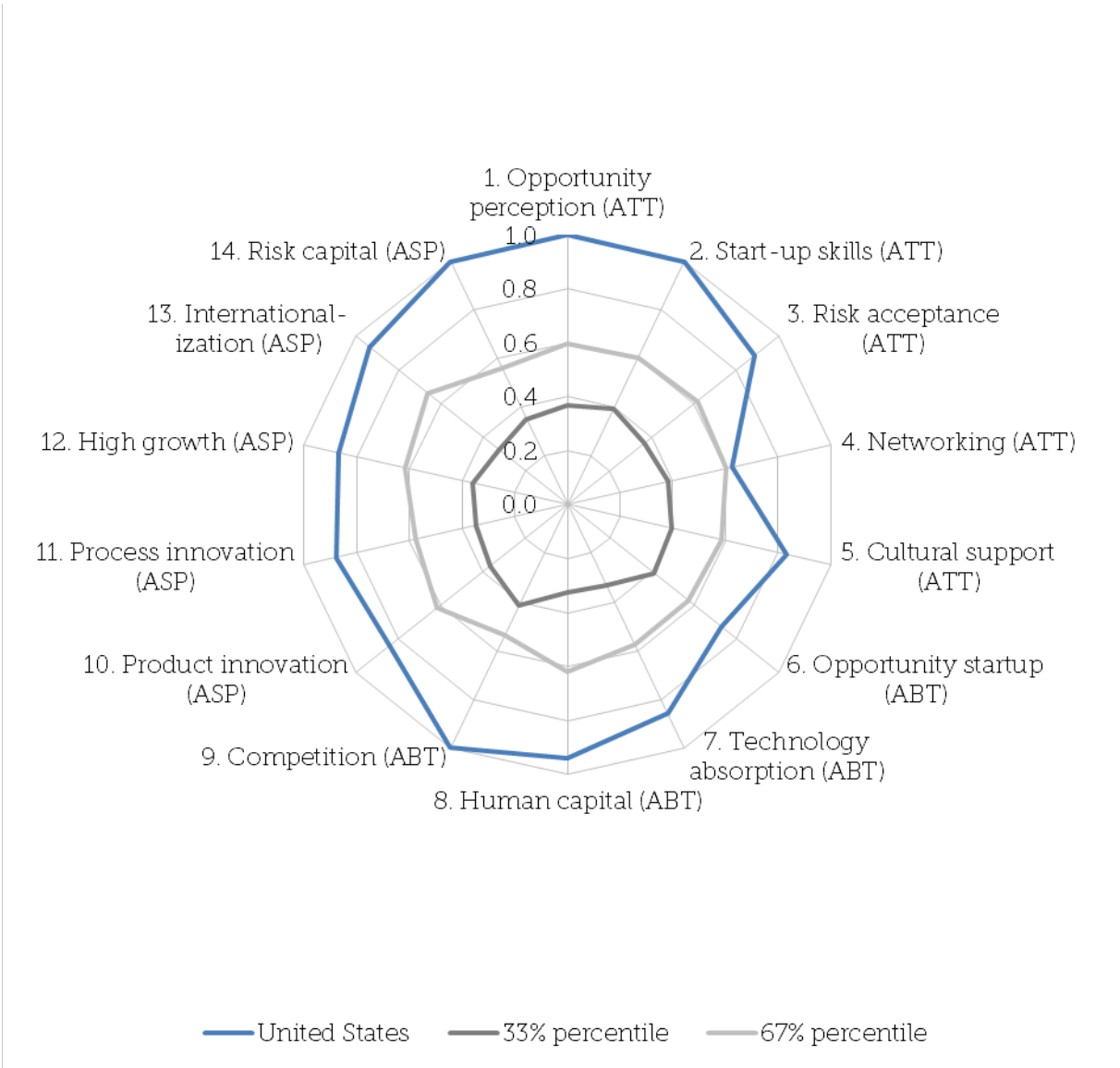
The United States scores in the 3<sup>rd</sup> quartile (25%-50%) on only one individual variable: Know Entrepreneurs.

The United States scores in the 2<sup>nd</sup> quartile (50%-75%) on seven individual variables (Opportunity Recognition, Skill Perception, Risk Acceptance, Opportunity Motivation, New Product, and New Technology) and one institutional variable (Globalization).

The United States scores in the top 25% of countries on six individual variables (Technology Level, Education Level, Gazelle, Export, and Informal Investment) and thirteen institutional variable (Market Agglomeration, Tertiary Education, Business Risk, Internet Usage, Corruption, Economic Freedom, Tech Absorption, Staff Training, Market Dominance, Technology Transfer, GERD, Business Strategy and Capital Market).

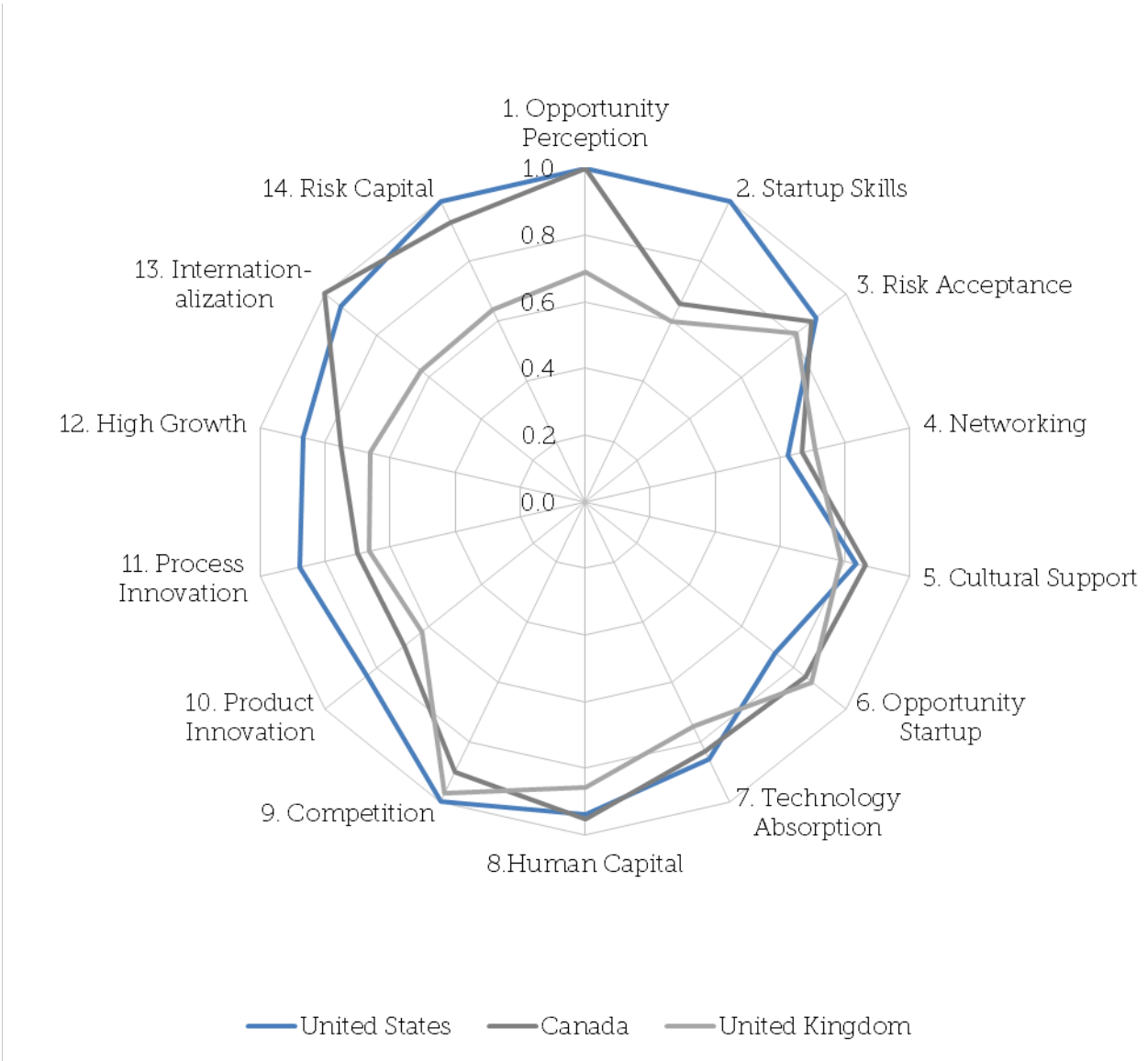
A complete list of variables and their definitions is included at the end of this report.

The country's fourteen pillars as compared to the top, middle and bottom thirds of countries



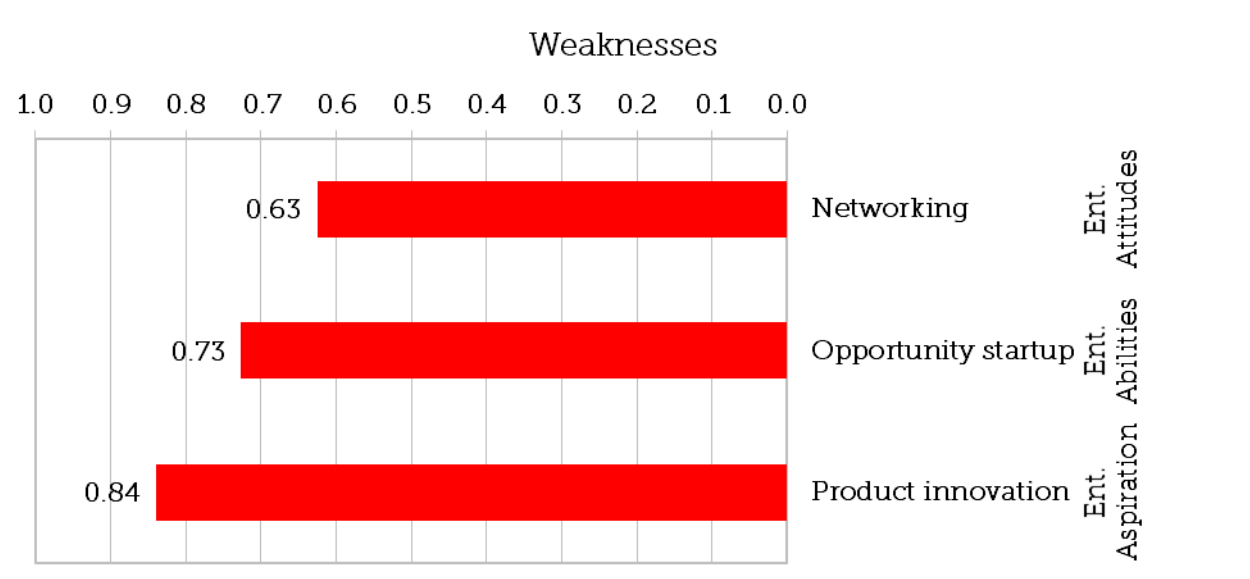
The United States is in the top third of countries on all 14 of 14 pillars. Networking is the only pillar where the US's performance is considerably lower, close to the 67<sup>th</sup> percentile.

The country's 14 pillars as compared to peers Canada and the United Kingdom

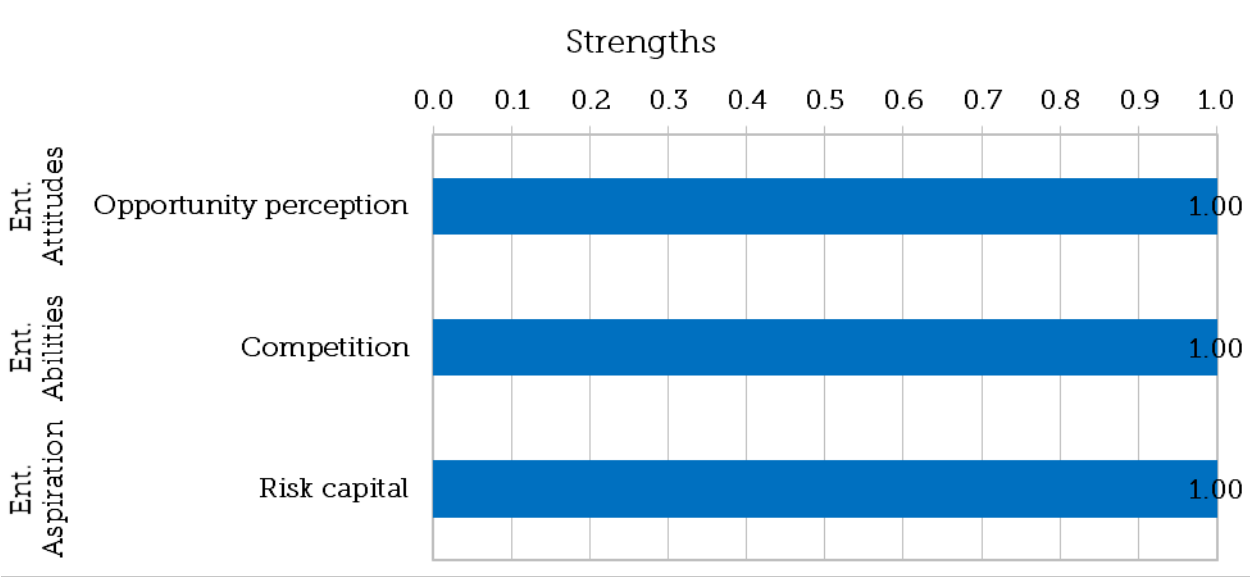


The United States outperforms peer countries Canada and the UK on eight of fourteen pillars: Startup Skills, Risk Acceptance, Technology Absorption, Competition, Product Innovation, Process Innovation, High Growth, and Risk Capital. Canada shows the strongest performance of the three countries on three of fourteen pillars: Cultural Support, Human Capital, and Internationalization. The UK shows the strongest performance of the three countries on two of fourteen pillars: Networking and Opportunity Startup. On the Opportunity Perception pillar, Canada and the US tie for first.

The country's strengths and weaknesses at the variable level, individual and institutional variables



The United States' Networking score, at .63, is the country's lowest pillar score in the sub-index of Entrepreneurial Attitudes, as well as the country's lowest pillar score overall. Opportunity Startup (.73) is the country's lowest score in the Entrepreneurial Abilities sub-index, and Product Innovation (.84) is the country's lowest score in the Entrepreneurial Aspirations sub-index.



The United States scores a perfect 1.00 on two Entrepreneurial Aspirations pillars: Opportunity Perception and Startup Skills (not pictured), one Entrepreneurial Abilities pillar: Competition and one Entrepreneurial Aspiration pillar Risk capital.

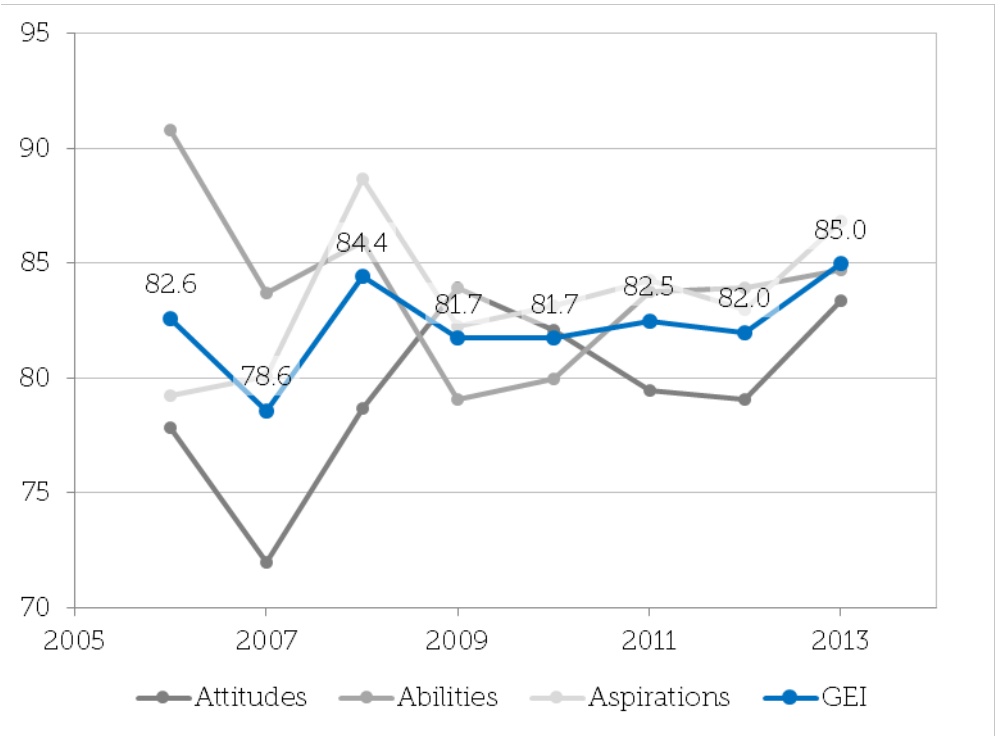
Policy optimization to increase GEI score by 10 points

	Required increase in pillar	Percentage of total new effort	Policy priority
Networking	0.30	33%	Top priority
Opportunity Startup	0.20	22%	
Cultural Support	0.10	11%	
Product Innovation	0.09	10%	Medium priority
Technology Absorption	0.07	8%	
High Growth	0.06	7%	Low priority
Risk Acceptance	0.05	5%	
Process Innovation	0.05	5%	
Opportunity Perception	0.00	0%	Not a priority
Human Capital	0.00	0%	
Competition	0.00	0%	
Start-up Skills	0.00	0%	
Internationalisation	0.00	0%	
Risk Capital	0.00	0%	

The United States would see the most benefit from focusing most policy effort (33%) on increasing Networking, as this is the lowest scoring pillar by a large margin. Other top priority areas include Opportunity Startup and Cultural Support. Additional, second tier policy effort could be focused on the Product Innovation, Technology Absorption and High Growth pillars. Finally, a small amount of policy effort should be focused on Risk Acceptance and Process Innovation. No effort should be spent to improve Opportunity Perception, Human Capital, Competition, Start-up Skills, Internationalization or Risk Capital as these pillars are not currently holding back the United States' performance.



The country's three sub-index and GEI scores between 2006-2012 (years reflect the year of GEM survey data)



During the time period from 2006 to 2013, the United States saw an increase in GEI score from a low of 78.6 to a high of 85.0. This change is primarily driven by variables in the Entrepreneurial Aspirations sub-index, which also saw increases. The Entrepreneurial Attitudes and Abilities sub-indices showed a less consistent pattern, except for the drop seen in all three sub-indices in 2007..

Structure of the GEI

The Structure of the Global Entrepreneurship Index														
Attitudes Sub-Index					Abilities Sub-Index					Aspirations Sub-Index				
MARKET AGGLOMERATION	OPPORTUNITY PERCEPTION													
<i>OPPORTUNITY</i>														
POST-SEC EDUCATION	STARTUP SKILLS													
<i>SKILL RECOGNITION</i>														
BUSINESS RISK	RISK PERCEPTION													
<i>RISK ACCEPTANCE</i>														
INTERNET USAGE	NETWORKING													
<i>KNOW ENTREPRENEUR</i>														
CORRUPTION	CULTURAL SUPPORT													
<i>CAREER STATUS</i>														
FREEDOM	OPPORTUNITY STARTUP													
<i>TEA OPPORTUNITY</i>														
TECH ABSORPTION	TECHNOLOGY ABSORPTION													
<i>TECH SECTOR</i>														
STAFF TRAINING	HUMAN CAPITAL													
<i>HIGH EDUCATION</i>														
MARKET DOMINANCE	COMPETITION													
<i>COMPETITION</i>														
TECH TRANSFER	PRODUCT INNOVATION													
<i>NEW PRODUCT</i>														
GERD	PROCESS INNOVATION													
<i>NEW TECHNOLOGY</i>														
BUSINESS STRATEGY	HIGH GROWTH													
<i>GAZELLE</i>														
GLOBALIZATION	INTERNATIONALIZATION													
<i>EXPORT</i>														
DEPTH OF CAPITAL MARKET	RISK CAPITAL													
<i>INFORMAL INVESTMENT</i>														

Source and description of data used in the 2015 GEI

Individual Variable	Description
Opportunity Recognition	The percentage of the population aged 18-64 that recognizes good conditions to start a business in the next six months in the area where he/she lives
Skill Perception	The percentage of the population aged 18-64 that claims to have the required knowledge/skills to start a business
Risk Acceptance	The percentage of the population aged 18-64 stating that a fear of failure would not prevent them from starting a business
Know Entrepreneurs	The percentage of the population aged 18-64 that knows someone who started a business in the previous two years
Career	The percentage of the population aged 18-64 saying that people consider starting a business a good career choice
Status	The percentage of the population aged 18-64 that thinks people attach high status to successful entrepreneurs
Career Status	The status and respect of entrepreneurs calculated as the average of career and status
Opportunity Motivation	Percentage of the TEA businesses initiated because of opportunity start-up motive
Technology Level	Percentage of the TEA businesses that are active in technology sectors (high or medium)
Educational Level	Percentage of the TEA businesses with owner/managers who have secondary education
Competitors	Percentage of the TEA businesses started in markets where not many businesses offer the same product
New Product	Percentage of the TEA businesses offering products that are new to at least some of the customers

New Tech	Percentage of the TEA businesses using new technology that is on average less than five years old (including one year)
Gazelle	Percentage of the TEA businesses having high average job expectations (more than 10 more employees and 50 percent growth in five years)
Export	Percentage of the TEA businesses where at least some customers are outside the country (over 1 percent)
Informal Investment Mean	The mean amount of three-year informal investment
Business Angel	The percentage of the population aged 18-64 that provided funds for a new business in previous three years, excluding stocks and funds, on average
Informal Investment	The amount of informal investment calculated as $INFINVMEAN * BUSANG$

Institutional Variable	Description	Source of Data	Data Availability
Domestic Market	Domestic market size that is the sum of gross domestic product plus value of imports of goods and services, minus value of exports of goods and services, normalized on a 1-7 (best) scale data are from the World Economic Forum Competitiveness	World Economic Forum	The Global Competitiveness Report 2013-2014, p. 518
Urbanization	Urbanization that is the percentage of the population living in urban areas, data are from the Population Division of the United Nations, 2011 revision	United Nations	<a href="http://esa.un.org/unup/CD-ROM/Urban-Rural-Population.htm">http://esa.un.org/unup/CD-ROM/Urban-Rural-Population.htm</a>
Market Agglomeration	The size of the market: a combined measure of the domestic market size and the urbanization that later measures the potential agglomeration effect. Calculated as domestic market urbanization*	Own calculation	-
Tertiary Education	Gross enrolment ratio in tertiary education, 2012 or latest available data.	UNESCO	<a href="http://data.un.org/Data.aspx?d=UNESCO&amp;f=series%3AGER_56">http://data.un.org/Data.aspx?d=UNESCO&amp;f=series%3AGER_56</a>
Business Risk	The business climate rate "assesses the overall business environment quality in a country...It reflects whether corporate financial information is available and reliable, whether the legal system provides fair and efficient creditor protection, and whether a country's institutional framework is favorable to intercompany transactions" ( <a href="http://www.trading-safely.com/">http://www.trading-safely.com/</a> ). It is a part of the country risk rate. The alphabetical rating is turned to a 7-point Likert scale from 1 (D rating) to 7 (A1 rating). December 30, 2013 data	Coface	<a href="http://www.coface.com/Economic-Studies-and-Country-Risks/Rating-table">http://www.coface.com/Economic-Studies-and-Country-Risks/Rating-table</a>
Internet Usage	The number of Internet users in a particular country per 100 inhabitants, 2013 data	International Telecommunication Union	<a href="http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx">http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx</a>
Corruption	The Corruption Perceptions Index (CPI) measures the perceived level of public-sector corruption in a country. "The CPI is a 'survey of surveys', based on 13 different expert and business surveys." ( <a href="http://www.transparency.org/policy_research/surveys_indices/cpi/2009">http://www.transparency.org/policy_research/surveys_indices/cpi/2009</a> ). Overall performance is measured on a 10-point Likert scale. Data are from 2013.	Transparency International	<a href="http://cpi.transparency.org/cpi2013/">http://cpi.transparency.org/cpi2013/</a>
Economic Freedom	"Business freedom is a quantitative measure of the ability to start, operate, and close a business that represents the overall burden of regulation, as well as the efficiency of government in the regulatory process. The business freedom score for each country is a number between 0 and 100, with 100 equaling the freest business environment. The score is based on 10 factors, all weighted equally, using data from the World Bank's <i>Doing Business</i> study." ( <a href="http://www.heritage.org/Index/pdf/Index09_Methodology.pdf">http://www.heritage.org/Index/pdf/Index09_Methodology.pdf</a> ). Data are from 2012.	Heritage Foundation/World Bank	<a href="http://www.heritage.org/index/explore">http://www.heritage.org/index/explore</a>

Institutional Variable	Description	Source of Data	Data Availability
Tech Absorption	Firm-level technology absorption capability: "Companies in your country are (1 = not able to absorb new technology, 7 = aggressive in absorbing new technology)"	World Economic Forum	The Global Competitiveness Report 2013-2014, p. 511
Staff Training	The extent of staff training: "To what extent do companies in your country invest in training and employee development? (1 = hardly at all; 7 = to a great extent)"	World Economic Forum	The Global Competitiveness Report 2013-2014, p. 467
Market Dominance	Extent of market dominance: "Corporate activity in your country is (1 = dominated by a few business groups, 7 = spread among many firms)"	World Economic Forum	The Global Competitiveness Report 2013-2014, p. 471
Technology Transfer	These are the innovation index points from GCI: a complex measure of innovation, including investment in research and development (R&D) by the private sector, the presence of high-quality scientific research institutions, the collaboration in research between universities and industry, and the protection of intellectual property	World Economic Forum	The Global Competitiveness Report 2013-2014, p. 22
GERD	Gross domestic expenditure on R&D (GERD) as a percentage of GDP, year 2012 or latest available data; Puerto Rico, Dominican Republic, United Arab Emirates, and some African countries are estimated using regional or nearby country data.	UNESCO	<a href="http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=2656">http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=2656</a>
Business Strategy	Refers to the ability of companies to pursue distinctive strategies, which involves differentiated positioning and innovative means of production and service delivery	World Economic Forum	The Global Competitiveness Report 2013-2014, p. 22
Globalization	A part of the Globalization Index measuring the economic dimension of globalization. The variable involves the actual flows of trade, foreign direct investment, portfolio investment, and income payments to foreign nationals, as well as restrictions of hidden import barriers, mean tariff rate, taxes on international trade, and capital account restrictions. Data are from the 2013 report and based on the 2011 survey. ( <a href="http://globalization.kof.ethz.ch/">http://globalization.kof.ethz.ch/</a> )	KOF Swiss Economic Institute	Dreher, Gaston, and Martens**
Depth of Capital Market	The depth of capital market is one of the six sub-indexes of the Venture Capital and Private Equity Index. This variable is a complex measure of the size and liquidity of the stock market, level of IPO, M&A, and debt and credit market activity. Note that there were some methodological changes over the 2006-2013 time period, so comparison to previous years is not perfect. The dataset is provided by Alexander Groh.* For missing data, nearby country data used. For countries having estimated individual data, DCM data are the same way as in the case of individual variables (see Table 2, last column)	EMLYON Business School, France, and IESE Business School, Barcelona, Spain	Groh et al.*** <sup>1</sup>

<sup>1</sup> Groh et al., *Global Venture Capital*.