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### Untapped Potential

#### Entrepreneurialism in Inflationary Times

**Toronto, July 22, 2022** — Entrepreneurialism is the spawning ground for small businesses which we know help drive the health of most economies. Small businesses took the brunt of pandemic shutdowns and are now only recovering. So, what does the spawning ground look like now?

A new 26-country Ipsos poll finds that entrepreneurial activity is alive and well in some countries but lacking in others.

Overall, almost three-in-ten global citizens (31%) say that they have started a business at some point, while close to an equal number (29%) hope to do so in the near future.

But entrepreneurial activity and aspirations vary widely by country. For example:

- Peru (54%), Colombia (54%) and Mexico (53%) have the highest proportion of people saying they have started a business in the past, while South Korea (18%), France (16%), Belgium (14%) and Japan (9%) have the lowest rates of entrepreneurialism.
- Colombia (58%), Mexico (55%) and South Africa (54%) have the highest proportion of adults saying they are likely to start a business in the future, while Sweden (13%), Belgium (13%), the Netherlands (11%) and Japan (8%) have the lowest rates of people planning on starting a business.

#### Government support seen as key

When asked how much inflation, interest rates and government supports contribute to the success of new business endeavors, government supports ranks first (56%), interest rates second (50%) and inflation third (40%). But only close to one-third (30%), on average across 28 countries, say that government is doing a good job fostering entrepreneurialism in their countries.

The private sector and banks do not fair any better. Only a minority say that the private sector (31%) and banks (31%) are doing a good job fostering entrepreneurialism in their countries.

#### Non-traditional groups becoming active

While entrepreneurialism may have been the domain of men and higher socio-economic groups in the past, this is no longer the case.



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- People who identify as women (+5%), Gen Z/Millennial (+18%) and lower income (+7%) have increased most since 2018 in reporting that they have started a business.
- The biggest increase in entrepreneurial aspirations since 2018 is among women, Gen Z/Millennials, those with lower education and people of lower and middle income.

### Funding holding people back

When asked what the key barriers are to starting a business, funding ranks as the top barrier (41%). Lack of interest (19%) and the condition of the economy (19%) rank well back tied in second place, while lack of knowledge (17%) is close behind.

### Social entrepreneurialism competing with business entrepreneurialism

Entrepreneurialism is being manifested mostly in its traditional way – business creation (business entrepreneurialism).

However, it is also being manifested, sometimes in conjunction with business creation but sometimes not, in social entrepreneurialism (captured as those who've created an interest group). More than one in 10 (14%) of global citizens say that they have started an interest group in the past and 19% say that they are likely to in the next 2 years.

As well, social entrepreneurialism tends to be a more recent phenomenon than business entrepreneurialism, with a greater proportion of those creating an interest group doing so in the past 2 years (76% vs. 52% who started their business in the past 2 years).

This reflects the reality of who current and likely entrepreneurs are as people — they are much more likely than non-entrepreneurs to be participating/active in society generally (i.e., follow news, donate time/money, etc.).

### Women not treated fairly

Just under 2 in 5 global citizens (37%) believe that women are treated fairly when they try to start a business. This varies wildly by country with a majority in China (67%), India (60%) and Malaysia (55%) believing women are treated fairly. This belief is lowest in Italy (26%), France (26%), Brazil (25%), South Korea (24%) and Japan (14%).

### The bottom line

Our Ipsos entrepreneurialism study shows that there is significant untapped potential for entrepreneurial activity moving further into 2022 and beyond.



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And key to tapping this potential is recognizing that traditionally underrepresented groups, like women, those with lower education and those with lower incomes, are catching up with traditional groups, such as men?, in their entrepreneurial aspirations.

Also key in tapping into entrepreneurialism is recognizing that business entrepreneurialism often goes hand in hand with social entrepreneurialism.

### About the study

These are the findings of a 26-country Ipsos survey conducted May 27-June 7, 2022, among 21,515 adults aged 18-74 in the United States, Canada, Malaysia, South Africa and Turkey, and among people ages 16-74 in 23 other countries, via Ipsos' Global Advisor online survey platform.

Each country's sample consists of ca. 1,000 individuals in each of Australia, Brazil, Canada, China (mainland), France, Germany, Great Britain, Italy, Japan, Spain and the United States, and ca. 500 individuals in each of Argentina, Belgium, Chile, Colombia, Hungary, India, Malaysia, Mexico, the Netherlands, Peru, Poland, South Africa, South Korea, Sweden, Switzerland and Turkey.

The samples in Argentina, Australia, Belgium, Canada, France, Germany, Great Britain, Hungary, Italy, Japan, the Netherlands, Poland, South Korea, Spain, Sweden, Switzerland and the United States can be taken as representative of these countries' general adult population under the age of 75.

The samples in Brazil, Chile, China, Colombia, India, Malaysia, Mexico, Peru, South Africa and Turkey are more urban, more educated and/or more affluent than the general population. The survey results for these markets should be viewed as reflecting the views of the more "connected" segment of their population. The data is weighted so that each country's sample composition best reflects the demographic profile of the adult population according to the most recent census data.

"The Global Country Average" reflects the average result for all the countries and markets where the survey was conducted. It has not been adjusted to the population size of each country or market and is not intended to suggest a total result.

Where results do not sum to 100 or the difference appears to be +/-1 more/less than the actual, this may be due to rounding, multiple responses, or the exclusion of "don't know" or not stated responses.

The precision of Ipsos online polls is calculated using a credibility interval with a poll of 1,000 accurate to +/- 3.8 percentage points and of 500 accurate to +/- 5.4 percentage points. For more



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information on Ipsos' use of credibility intervals, please visit the Ipsos website. The publication of these findings abides by local rules and regulations.

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### About Ipsos

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Our passionately curious research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. We serve more than 5,000 clients across the world with 75 business solutions.

Founded in France in 1975, Ipsos is listed on the Euronext Paris since July 1, 1999. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

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