Labour market greatly lowers appetite for self-employment, innovative founders hold their own
Labour market greatly lowers appetite for self-employment, innovative founders hold their own

In 2015 the number of business founders in Germany fell significantly by 152,000 (-17%) to 763,000. The strong labour market led to an above-average decline of 81,000 necessity founders (-28%) to 207,000 persons. As most necessity founders tend to be full-timers, their decline in numbers had a significant impact on the total number of full-time business founders, which dropped to 284,000, its lowest level so far.

The decline in the economically more important groups of start-ups was significantly less pronounced. Opportunity founders did not remain unaffected by the development, but their 15% drop to 377,000 persons was less sharp. The number of innovative founders even rose slightly by 6% to 95,000 persons. That indicates that the structure of start-up activity was of higher quality in 2015.

Digital founders make up one fifth of start-up activity, totalling 160,000 persons. They are more often active on international markets than other business founders making them a driving force that strengthens Germany’s competitiveness.

Start-ups create steady competition, forcing established enterprises to constantly put themselves to the test and bring out their best. That bolsters the competitiveness of the entire economy. Therefore, lively start-up activity makes an economy fit for the future. However, the more prosperous an economy is, the weaker the strengthening force of start-up activity becomes. After all, a booming labour market also attracts potential business founders. But the decision in favour of salaried employment is usually a decision against starting an own business. The trend in start-up activity illustrates this. When the job market began to recover in the years 2005/2006, start-up activity in Germany slackened visibly (Figure 1). Since then the start-up rate has oscillated upward and downward within relatively narrow bands. The faint hope of a trend reversal stirred by the revival of start-up activity in the years 2013 and 2014 has not been fulfilled.

### Table 1: Number of business founders drops under 2012 low

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>777</td>
<td>868</td>
<td>915</td>
<td>763</td>
</tr>
<tr>
<td>Full-time founders</td>
<td>317</td>
<td>306</td>
<td>393</td>
<td>284</td>
</tr>
<tr>
<td>Part-time founders</td>
<td>460</td>
<td>562</td>
<td>522</td>
<td>479</td>
</tr>
<tr>
<td>Opportunity founders</td>
<td>361</td>
<td>463</td>
<td>441</td>
<td>377</td>
</tr>
<tr>
<td>Necessity founders</td>
<td>236</td>
<td>259</td>
<td>288</td>
<td>207</td>
</tr>
<tr>
<td>Novelty founders</td>
<td>63</td>
<td>92</td>
<td>66</td>
<td>50</td>
</tr>
<tr>
<td>Innovative founders</td>
<td>-</td>
<td>-</td>
<td>92</td>
<td>95</td>
</tr>
<tr>
<td>Digital founders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>Regional founders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>458</td>
</tr>
<tr>
<td>World market founders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74</td>
</tr>
</tbody>
</table>

Data source: KfW Start-up Monitor

### Box 1: The KfW Start-up Monitor

The KfW Start-up Monitor is based on the information provided by 50,000 randomly selected persons residing in Germany. They are interviewed by telephone on an annual basis as part of a representative survey of the population. Business founders are identified in accordance with a broad definition of start-up activity covering full-time and part-time founders, self-employed and commercial start-ups. That makes the KfW Start-up Monitor the only data source in Germany to provide a comprehensive picture of German start-up activity.
Start-up activity has dropped sharply
The early indicators already predicted a renewed
drop in start-up activity for 2015, and this decline
did occur, even turning out stronger than expected. The
latest KfW Start-up Monitor shows a start-up rate of
1.5%. This represents 763,000 persons who started a
business in the year 2015 – 152,000 fewer than in the
year 2014 (Table 1). The number of full-time founders
who drove start-up rates up in the previous year alone
experienced a particularly sharp drop of 109,000
persons to 284,000 (-28 %), which is below its lowest
level so far. By comparison, the number of part-time
founders dropped by only 8 % to 479,000.

Economic recovery and labour market put the
brakes on start-up activity
From an overall economic perspective, start-up activity
is influenced primarily by the business cycle and labour
market development. The business cycle influences
start-up activity in the form of what is known as a
“pull factor”, which means that a strong economy “pulls”
employable people into self-employment. In contrast, a
negative development of the labour market acts as a
“push factor” that pushes people into self-employment.
In 2015, real GDP growth fell slightly to 1.5%\(^1\) (2014:
1.6%) and unemployment again fell appreciably by
0.4 percentage points\(^2\) (2014: -0.2 PP). In other words,
compared with the year 2014 the business cycle
exerted a slightly weaker pull into self-employment, and
pressure from the labour market on unemployed
people to take up self-employment continued to fall.
Thus the development of the two economic factors had
a negative impact on start-up activity in the year 2015.

Opportunity founders still dominate
The clear influence of the good labour market
development on start-up activity is reflected by the fact
that the share of necessity founders has fallen to a
historic low. In 2015, only 27 % of business founders
(207,000 persons) started a business for lack of income
alternatives (Figure 2). Opportunity founders
dominated, with one out of two starting a business in
order to put a specific business idea into practice. That
was a different story just a few years ago. In 2011,
opportunity and necessity founders were roughly equal
in numbers and in 2008 necessity founders even
dominated. Although the number of business founders
is falling, the rising trend of opportunity founders is
economically desirable. It improves the structural
quality of start-up activity. On average, opportunity
founders bring more novelties to the market, employ
more staff and survive on the market longer than
necessity founders.

The positive development of the labour market is also
reflected in the fact that the lowest ever proportion of
founders were unemployed before starting a business
(10 %) in 2015. Just over half of all founders (55 %)
– by far the largest proportion – started out of
employment. This can be regarded as the normal case.
However, founders who were economically inactive
prior to starting a business have gained more weight in
the past years. They include heads of households and
students in particular. For a long time, roughly one in
five founders were previously to starting a business
economically inactive, but in the last three years that
has been the case for roughly one out of every four
(26 % in 2015). The main reason for this has been the
increased participation of women in start-up activity.
The proportion of women who started a business
(31 %) and were previously economically inactive was
substantially higher than that of men (22 %) in 2015.
Bremen falls behind again
Some changes have occurred in the ranking of start-up activity by federal state (Table 2). Berlin and Hamburg still top the list for the highest number of business founders on average for the years 2013 to 2015, at 26 and 25 per 1,000 employable persons, respectively (Figure 3). However, Hesse (23, +2) has now broken up the trio of city-states, knocking Bremen off the just recently recaptured third ranking and relegating it to fourth place (18, -4). Hesse has climbed the ranking ladder from a ninth place in the survey period of 2008–2010 almost on an annual basis.

Urban concentration puts city-states at an advantage for start-up activity
Urban agglomerations promise short distances, as many people live within a small space. This is an advantage for the service and retail sectors in particular – where self-employment as a form of work is more widespread. The higher density of western German (non-city) states is probably one reason they are right behind the city states in the ranking. The federal states’ specific economic structure also plays a role. The share of freelancers is, for example, in Berlin and Hamburg higher than average, which likely is associated with these cities’ attractiveness for the media and IT industry.

Table 2: Hesse breaks up the trio of city states
Ranking of federal states by start-up activity across a three-year average

<table>
<thead>
<tr>
<th>Rank '12–'14</th>
<th>∆</th>
<th>Rank '13–'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hamburg</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Hesse</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Bremen</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>North Rhine-Westphalia</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Bavaria</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Lower Saxony</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Schleswig-Holstein</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Rhineland-Palatinate</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Baden-Württemberg</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Thuringia</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Saxony</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Brandenburg</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Mecklenburg-Western Pomerania</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Saarland</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Saxony-Anhalt</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Data source: KfW Start-up Monitor

An industrial economy, on the other hand, tends to be associated with lower start-up activity because a higher proportion of employees work for large companies. The opportunity costs of moving into self-employment (that is, foregoing a well-paid job) are then relatively high. Accordingly, many employable persons opt for a paid position and against self-employment. Part-time start-up activity in particular is significantly less frequent in eastern German states as the purchasing power there is lower on average. Those states are therefore at the bottom of the federal states’ rankings.

The diverging development of regional labour markets is an important driver for variations in the rankings of the federal states. Sector cycles that influence the hiring practices of large companies can play an important role in this regard, as can major insolvencies. Institutional variations in the states’ specific start-up promotion also have an impact.

Figure 3: Berlin is the start-up capital
Number of start-up entrepreneurs per 1,000 employable persons (2013–2015 p.a.)

Note: Average annual number of entrepreneurs per 1,000 inhabitants aged 18 to 64 years during the period from 2013 to 2015. Variation on the previous period 2012–2014 in brackets.

Data source: KfW Start-up Monitor
Participation of women continues on record level
The participation of women in start-up activity continued on a record level for the third consecutive year. Women have accounted for 43% of all business founders since 2013. Their share in part-time start-up activity is traditionally higher than in full-time. Just as in 2015, where the proportions remained nearly unchanged to the previous year, at 45% of part-time founders and 39% of founders.

Women who started a business contributed significantly to the stronger academisation of start-up activity in 2014. However, the proportion of male university graduates has now equalled. In 2015 a total of 32% of business founders had a tertiary degree – an all-time record (Figure 4).

Service providers are in a solid majority
The majority of business founders typically start in the service sector (Figure 5). This was also true in 2015, when commercial services dominated at 37%. Personal services were the second largest area at 29%. Financial services, transport and communication services accounted for a further 6%. Trade (12%) and manufacturing (15%) were roughly even.

New companies were the majority
Start-up activity has always been characterised by business founders establishing a new company. In 2015 as well, three out of four business founders did so. Business founders who take over existing companies (8% in 2015) or participate in such (17%), on the other hand, uses already established structures rather than building up new ones.

Business founders who take over or acquire participations in companies on average have more employees than founders of new companies. This is simply because at the time of becoming self-employed the acquired companies often have a large number of employees already. Including these employees in computing an employment effect of start-up activity would unreasonably exaggerate the effect. So in order to assess the contribution start-up activity makes to employment, it is necessary to take a separate look at new company founders.

The direct gross employment effect of new company founders is measured in full-time equivalents

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1 In 2014, 35% of women who starting their own business had a degree from a university or tertiary institution, but only 29% of men.
As in the previous year, every new company founder created 0.4 full-time equivalent jobs per capita in the year 2015. The value of less than “1” resulted from the fact that nearly two in three business founders started out alone (63% in 2015), that is, without a team partner or employees. The share of such solo founders among new company founders was above average, although lower than in the years before (67% in 2015 and 75% in 2014). Overall, the development of the direct employment effect of start-up activity illustrates impressively how important new company founders are for the labour market.

The degree of newness, that is, the share in market novelties, is an important point of reference for assessing start-up activity. Regional market novelties are often the result of a (continuous) dissemination of new offerings from urban to rural regions. The share of business founders with a regional market novelty is therefore quite steady over time. Supra-regional market novelties, on the other hand, are more often indeed “unprecedented”. They therefore appear less frequently and more irregularly as well, however, so their share fluctuates more strongly.

Business founders with market novelties introduce products or services previously unavailable on the respective regional or supra-regional markets. However, only a portion of these novelty founders are innovative in the sense that they create technological innovations. Innovative founders conduct research and development (R&D) in order to – by their own
accounts – turn technological innovations into market-ready products. In 2015 their share rose slightly to 12% (Figure 6, right). Market novelties and innovations are not the same thing, but they are closely connected. Four in ten business founders with supra-regional market novelties also innovate in technological respect.

These innovative founders play an important economic role. They are the main ones to engage in what Schumpeter referred to as “creative destruction” by contributing to technological progress and driving structural change. If their share grows, this economically positive effect of start-up activity increases.

One in five business founders relies on digital technologies

The digitalisation of the economy is advancing. Business founders who create new markets or conquer established markets with the aid of digital technologies are the driving force behind this development. One in five business founders (21%) is “digital”. According to their own statements, customers can access their offerings only through digital technologies (Figure 8). Digital founders have very diverse business models. These can be purely digital, such as those of app providers, operators of web portals or web hosting services. They can also be traditional and include a major digital component, as in the case of online retailers or of business founders who use online marketplaces to sell products or services (which they have produced themselves).

One in five innovative and digital founders target the global market

Overall, the majority of business founders (60%) have a regional orientation and consider their region to be the relevant market for them (Figure 9). This is due, among other things, to the high share of service providers. Personal service providers or (stationary) traders in particular usually rely on walk-in customers, or at least on local customers. Another one fourth of founders target the German-speaking market and 6% are present on the internal EU market. One in ten entrepreneurs is a global market founders, offering products or services across the globe.

The ratios differ significantly for business founders who work with technology, however. A mere three in ten innovative and digital founders focus on their respective regional market (29 and 31%), four in ten target the German-speaking market (37 and 41%) and...
two in ten target global customers (22% each). The internal EU market is the relevant market for 12% of innovative and 6% of digital founders. Technology-oriented founders therefore must assert themselves significantly more often against international competitors than business founders overall. When they succeed, they make a correspondingly higher contribution to making Germany more competitive.

More business founders have financing requirements
Start-up activities have many facets – from sole traders who are only interested in earning some extra cash on a part-time basis through team-based business start-ups with growth ambitions to company takeovers. This is also reflected in founders’ use of resources. Roughly one in ten business founders can be referred to as a zero-resource founder, one that uses neither physical nor financial capital (Figure 10). One in ten business founders can be classified as a physical resource founder, meaning they use exclusively private physical capital for their self-employment. This physical capital can be a privately owned computer or automobile. One in three digital founders is a physical resource founder. It is easily conceivable that digital nomads, for example, require nothing more than their personal IT equipment to provide their services.

The majority of business founders – two in three – use financial capital, however. The share of these funding-based founders tend to be higher in full-time than part-time.

Figure 10: Financial capital is most important start-up resource – founders’ own funds dominate

<table>
<thead>
<tr>
<th>Share of resource used in per cent</th>
<th>All business founders</th>
<th>2014</th>
<th>2015</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>29</td>
<td>22</td>
<td>62</td>
<td>65</td>
</tr>
<tr>
<td>Full-time founders</td>
<td></td>
<td>7</td>
<td>42</td>
<td>28</td>
<td>65</td>
</tr>
<tr>
<td>Part-time founders</td>
<td></td>
<td>6</td>
<td>33</td>
<td>70</td>
<td>37</td>
</tr>
<tr>
<td>Digital founders</td>
<td></td>
<td>10</td>
<td>59</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
<td>50</td>
<td>62</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>44</td>
<td>64</td>
<td>19</td>
</tr>
</tbody>
</table>

Neither financial nor physical capital Physical capital only Also financial capital Owns funds only Also external funds

Note: Differences may be due to rounding.
Data source: KfW Start-up Monitor

When business founders employ funds, in two of three cases they fund themselves exclusively from their own capital (self-funded founders). Calculated across all business founders, however, 23% also use external funds of third parties. Such external providers of capital can be credit institutions, private investors, or even family and friends. Full-time founders use third-party funds roughly twice as often as the average (37%), part-time founders only half the average (12%). Full-time founders thus rely on seed capital significantly more frequently for their projects, especially on third-party funds.

More business founders use higher amounts of external capital
Many business founders make do with relatively low funding. This also applies to external capital. Across the long-term average, 75 to 80% of externally financed founders are “micro-funded”, that is, they take up a maximum of EUR 25,000. In the past two years, however, those who set up their business using external capital of more than EUR 25,000 (“macro-funded founders”) reached a share of roughly one third in 2015. Thus, measured across all business founders, for the first time the proportion of zero-resource founders (9%) – who employ no resources at all – was almost the same as that of macro-funded founders (8%) (Figure 11).

The higher share of micro-funded founders is also reflected in the average funding amounts. In 2014 each business founder – including zero-resource and physical resource founders – on average was still employing EUR 9,100, of which EUR 4,700 came from
external capital providers. In 2015 they employed financial capital of EUR 14,000 on average, with an external contribution of EUR 6,900 (Table 3). Macro-funded founders borrowed an average EUR 102,900 from external third parties, almost 30% more capital than in the previous year.

Table 3: Business founders are employing significantly more capital

<table>
<thead>
<tr>
<th>Amounts in EUR thousand</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>All business founders</td>
<td>11.0</td>
<td>5.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Funding-based founders</td>
<td>17.5</td>
<td>8.8</td>
<td>15.1</td>
</tr>
<tr>
<td>Externally funded founders</td>
<td>35.0</td>
<td>28.7</td>
<td>32.6</td>
</tr>
<tr>
<td>Macro-funded founders</td>
<td>124.0</td>
<td>108.5</td>
<td>101.7</td>
</tr>
</tbody>
</table>

Data source: KfW Start-up Monitor

Funding has become more accessible for business founders

In 2015 business founders were able to access start-up finance more easily than the year before. The share of business founders who encountered financing difficulties dropped by one fourth to 15%. Business founders are consistently more affected by financing difficulties than established entrepreneurs. They often lack confidence-building elements such as a corporate history or collateral. Their capital requirements are also often low, which can be a disadvantage that makes it difficult to obtain financing from institutional lenders because of high fixed costs.

Figure 12: Business founders have fewer financing difficulties

Figure 13: Thirst for entrepreneurship drives founders – motives have changed much since 2015

Entrepreneurial spirit motivates business founders

The main reason for people to start their own business is to become an entrepreneur. Forty per cent of the interviewees of the year 2015 saw this as the sole reason for their self-employment (average assessment: 2.0, Figure 13). Generating income (37%, avg 2.2) and putting their own qualifications to use (38%, avg 2.2) were “very important” motives for many. Labour market-related aspects, on the other hand, were less important. Starting a business as a means of balancing family life and work did not apply for 40% (avg 2.5), nor as a step into economic activity (“not important at all” for 47%, avg 3.1) nor to bypass the job market (“not important at all” for 53%, avg 3.1).

The importance of the various motives depended in part on whether the business was a full-time or part-time self-employment. Full-time founders were clearly more strongly motivated by entrepreneurial spirit (avg 1.7) than part-time founders (avg 2.2). Earning...
extra income was clearly more important for part-time (avg 1.8) than for full-time founders (avg 2.8). Applying their own qualifications, in turn, was a more important motive for full-time (avg 1.9) than for part-time founders (avg 2.4).

**Motivations of business founders changed significantly within a year**

The structure of start-up activity in 2015 was different from 2014 – fewer full-time founders, fewer necessity founders, fewer business founders coming out of unemployment, more graduates, an above-average employment effect, use of more capital, etc. The changed structure is also shown by people’s overall motives for starting a business.

The overall drop in the number of full-time founders was a reason that aspects such as “balancing family life and work” (avg 2.8) or “starting employment” (avg 2.9) were less important than the year before (2014: 2.1 and 2.2). The aspect of “bypassing the labour market”, on the other hand, became less important as a result of the drop in necessity founders, particularly those who were previously unemployed (avg 3.1, 2014: 2.0). The high importance of “earning extra income” (avg 2.2, 2014: 2.8) and “applying one’s own qualifications” (avg 2.2, 2014: 2.6) was also due to the fact that people were starting a business less because they had to, but more because they wanted to. Accordingly, the share of business founders who were “easily” making ends meet with their household incomes increased from 37% in 2014 to 41% in 2015.

**Figure 14: Entrepreneurs praise infrastructure, but give lowest marks for educational system**

In assessing the overall environment, the 2015 business founders gave infrastructure the highest scores (Figure 14), with 72% of interviewees rating it at least “good” (avg 2.3). On average, the image of business founders was rated equally high (avg 2.3). This self-perception also reflects the good reputation business founders have in the population. Only 15% of the working age population see entrepreneurial image as an argument against self-employment. In contrast, business founders consider Germany to be less well-positioned as a start-up location with respect to the educational system (avg 3.8) – specifically the entrepreneurial skills it delivers – and credit availability (avg 3.7). They gave these aspects the lowest grades.

**Box 2: Additional surveys 2015 and 2016**

For an in-depth analysis of new entrepreneurs of 2014 and 2015, additional surveys to the KfW Start-up Monitor were conducted in March of the following years. All start-up entrepreneurs who had been identified in the respective main survey and had given their consent to a follow-up interview and their contact details were approached again for these additional surveys.

In most areas the founders’ views of the business environment match the assessments of experts. Founders and experts agree on the best factor – infrastructure – and the poorest – delivery of entrepreneurial knowledge and skills. With regard to teaching entrepreneurship in schools, Germany appears to have much room for improvement. The effort of the German Federal Ministry for Economic Affairs and Energy to bring entrepreneurial spirit in the schools is therefore an important approach.

Other areas were assessed differently. While experts believe Germany’s “official promotional infrastructure sets standards in an international comparison”, access to official support received average marks from business founders. That could be an indication that the extensive support offerings from the EU, federal government, state governments and even some municipalities require business founders to make particular efforts to obtain relevant information. For many it may be a challenge to keep track of the possibilities given the diversity of available support schemes. Besides, for many business founders it is probably the first time they are in a situation where they can apply for support funds.
Figure 15: Fewer start-up planners in 2015 are a sign of fewer business founders in 2016

People seriously considering starting a business in per cent of the working age population

Data source: KfW Start-up Monitor

A similar difference was found with regard to credit availability, which business founders gave a mark of just “sufficient” (avg 3.7). Given that access to credit is easier than ever (cf. Ifo Credit Constraint Indicator, for example), this appears to be a very negative rating, even considering the problems business founders consistently face with accessing debt capital in comparison with established enterprises. Lack of information and of (previous) experience is likely to play a role as well in this assessment.

Outlook for 2016: further decline in start-up activity looms

This year we expect Germany’s economic performance to provide a moderate boost to start-up activity. Our forecasts see growth momentum picking up moderately in 2016. The labour market, on the other hand, will provide no impetus to start-up activity. Thus, the overall economic factors combined will likely have a negative to neutral effect. The proportion of people planning to start a business also points to a further decline in 2016 (Figure 15). The share of people seriously contemplating self-employment fell again in 2015. Because the planning process from an idea to implementation often takes several months, this decline is indicative of how the start-up rate will develop in 2016.

Box 3: A quick note on the KfW Start-up Monitor

The present report “Labour market greatly lowers appetite for self-employment, innovative founders hold their own” supplementing the KfW Start-up Monitor 2016 provides details on some of the findings. The accompanying Appendix of Tables and Methods provides further information on the structure of start-up activity that was taken from the recent survey and the two prior survey waves.

The KfW Start-up Monitor surveys start-up activity for the purpose of economic analysis. As a scientific dataset it is also available to external researchers for empirical research work, but not for projects conducted under contract research. External researchers must be affiliated with a research institute in order to use the dataset. The dataset may also be used by doctoral candidates and PhD students in preparing their doctoral theses, but not by students who are nearing completion of a German “Diplom” or a Master’s degree. An overview of the terms of access can be found at https://www.kfw.de/KfW-Konzern/KfW-Research/%C3%9Cber-KfW-Research/Forschungskooperationen.


3 “Half the people (50%) hold start-up entrepreneurs in Germany in higher social regard than employees. In the USA only roughly one in three persons have this view (38%)” (our translation). AXA (2015), Study “Innovationen und Unternehmensgründungen in Deutschland und in den USA” (Innovation and business start-ups in Germany and the USA). Simultaneous survey conducted among a representative sample of 1034 interviewees by YouGov Panel Germany and 1145 interviewees by YouGov Panel USA, all aged 18 and over, 26 January 2015, https://www.axa.de/site/axade/get/documents/axade/AXA.de_Dokumente_und_Bilder/Unternehmen/Presse/Pressemitteilungen/Dokumente/2015/AXA-Studie-Innovationen-und-Unternehmensgruendungen-in-D-und-USA.pdf.

4 Metzger, G. (2015): Where there’s a will, is there a way? Barriers to becoming self-employed, Focus on Economics No. 82, KfW Group, Frankfurt am Main.


6 “Unternehmergeist in die Schulen” (Bringing the spirit of entrepreneurship into schools) is a partnership initiative sponsored by the German Federal Ministry for Economic Affairs and Energy to equip youths with entrepreneurial skills, http://www.bmwi.de/DE/Themen/Mittelstand/Gruendungen-und-Unternehmensnachfolge/staerkung-des-unternehmergeistes.html.

