Fiscal Performance Report

Report released August 2012

About the respondent sample: All Global Entrepreneur Indicator respondents are entrepreneurs who founded, and are the controlling stakeholder of, a business grossing more than US$1 million in revenue per year. On average, these businesses gross US$18.3 million annually and employ nearly 200 people. More than 2,200 entrepreneurs representing 35 countries responded to the survey.

Entrepreneurial firms continue to increase profits, though recent increases have slowed.

- Well more than half (60%) of entrepreneurs reported an increase in profits during the past six months. This is down very slightly from the previous survey (62%), but still a healthy number.
- Those who reported increasing profits outnumbered those who reported falling profits by more than three to one (60% to 18%).
- More than three-quarters (76%) of business owners expect profit margins to increase in the coming six months.

![Global Net Profit Trending](image)

The percent of entrepreneurs worldwide who reported increased profits in the six months preceding the survey.
Regional reporting is reflective of economic conditions throughout the world, as Europe/Middle East and South Asia lag behind other regions in fiscal performance.

- Canada (66%), Latin America/Caribbean (64%) and the United States (63%) reported the strongest increases in profitability, standing in stark contrast to Europe/Middle East (53%) and South Asia (44%).
- The United States (78%) and Latin America/Caribbean (78%) are the most optimistic in terms of increased profit forecasts for the coming six months. This result for the U.S. is slightly surprising in the face of the uncertainty that usually surrounds presidential elections.
- 76% of entrepreneurs globally expect to see profits rise in the coming six months.

Net profit increases in the past six months against predictions for the coming six months, by region.
Revenues are up across the board, indicating that an overall increase in economic activity may have taken place in the previous six months.

- 68% of business owners reported an increase in revenue during the last six months, ranging from a high of 70% (Latin America/Caribbean) to a low of 61% (South Asia).
- Bolstered by optimistic predictions on the economy, 80% of entrepreneurs predict that they will see an increase in revenue in the coming six months.
- Though business owners in Europe/Middle East and South Asia still lag behind their global peers, both regions do predict an increase in revenues in the coming six months.

Revenue increases in the past six months against predictions for the coming six months, by region.
Longitudinally, debt loads are reporting as stable, though there is a nearly equal split between entrepreneurs who report having taken on additional debt and those who have decreased debt loads.

Figure 4: Percentage of entrepreneurs who have increased, decreased and maintained total debt load during the past six months, by region.
About the Research

This report is part of the Global Entrepreneur Indicator research program conducted by the Entrepreneurs’ Organization (EO). This research program began in May of 2010 and consists of twice-annual surveys of EO members. The full report and findings are available at: www.entrepreneurindicator.com.

The significance and uniqueness of this global research program lies in the very tight definition of a successful entrepreneur represented by the EO's membership base. All those surveyed have successfully founded a business grossing more than US$1 million in revenue annually. Overall, EO members average US$18.3 million in revenue per year. Between them, these entrepreneurs employ more than 1.7 million workers, with an average of 192 employees per entrepreneur. The average age of the entrepreneurs surveyed is 41.

This group of successful entrepreneurial firms is significant in its place in the globally economy, but is generally very difficult to gain access to and poll. The Entrepreneurs’ Organization, however, has a membership base fitting these criteria, providing the ability to gain an entree to this highly important sample of the entrepreneurial population.

More than 2,200 entrepreneurs from 35 countries responded to the survey.

For further information about the research:

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