

# Ideas mean business

Views on innovation among young,  
disadvantaged adults

DECEMBER 2017



This report is based on research carried out by YouGov and commissioned by Innovate UK, in partnership with The Prince's Trust. It explores the attitudes towards innovation and entrepreneurship from 18-30 year olds that are:

- not in employment, education or training, or in a form of insecure or under-employment
- living in the lowest two deciles of the Index of Multiple Deprivation (IMD) or had free school meals

The insights from the research will inform a new *Young Innovators* programme, delivered by Innovate UK and The Prince's Trust.

This is the second initiative under Innovate UK's **diversity and inclusion programme** following the *Women in Innovation* campaign in spring 2016. Its aim is to shine a spotlight on under-represented areas in business innovation to support and empower people to innovate.

The *Young Innovators* programme is a new opportunity for young people to explore the potential of their ideas for business. It will offer funding, expert advice and connections to a new network of people and organisations working in innovation.

# Innovate UK



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## Foreword from Dr Ruth McKernan

Chief Executive  
of Innovate UK

There are young people from all walks of life across the UK who have great ideas. But for some there are barriers that stop those innovations becoming a reality. A little advice, finding the right support and inspiration to succeed can make all the difference.

That is one of the big findings that stands out in this important piece of research from YouGov. This report also shows that there is a clear disparity between the ambitions of young people and their confidence in taking them further. Two in five of the young people surveyed (39%) have had ideas for products and services they think they could sell and more than half (54%) would like to run their own company. But despite this only 8% would describe themselves as entrepreneurial and they have clear concerns around resources and knowing where to go for support.

At Innovate UK, we want to encourage the very best ideas. And we know that innovation often really takes off when people from a range of backgrounds – with a diverse set of perspectives – come together to solve a challenge. So, we need to work hard to access the full range of talent and expertise.

That's why we have teamed up with The Prince's Trust on our new Young Innovators programme – to help the next generation make an impact. The Prince's Trust have a fantastic track record in helping disadvantaged young people who are unemployed transform their lives through mentoring, training and funding, and our new campaign is about providing extra knowledge and tools focused on innovation.

By working with 18-30 year olds who are not in employment, education or training, or are in a form of insecure or under-employment, the Young Innovators campaign will ensure those who have an idea that could go on to be commercially successful have a greater chance of making it a reality.

Young Innovators is the second part of our diversity and inclusion programme, where we shine a spotlight on areas where there is currently under representation in business innovation to support and empower people to innovate, and grow the UK economy. It follows our successful Women in Innovation campaign, which we launched in Spring 2016. Innovative businesses are the UK's industries of the future, so we must engage the younger generation in innovation to ensure the future prosperity of the UK. And we want to challenge perceptions and break down barriers, highlighting the opportunities of working in innovation to all young people.

So, through our new campaign, with the help of The Prince's Trust, we will be working hard to tackle the barriers identified in this report. We are determined to help young people with diverse backgrounds turn their ideas into successful businesses.

# Innovate UK



## Foreword from Lindsay Owen

Director of Policy and Evaluation  
at The Prince's Trust

This report reveals the significant appetite for self-employment among young people from disadvantaged backgrounds. For thousands of young people across the UK, the prospect of starting their own business is a viable route to success, and a sustainable income for themselves and their families.

I regularly meet young people from disadvantaged backgrounds who tell me how starting a business with support from organisations like The Prince's Trust and Innovate UK has transformed their life immeasurably.

The Trust alone has supported nearly 87,000 young people in this way since 1983 through its Enterprise programme. It is extremely rewarding to see so many young people sustain their businesses to the benefit of their own confidence and self-worth, their individual finances and their communities.

We are extremely proud of the strides these young business owners have made to get to where they are today and, as this report shows, there are many more like them who have the potential to follow in their footsteps. That is why, for me, the most important question explored in this report is why more talented individuals from disadvantaged backgrounds are not choosing to set up in business.

Although many of these young people are evidently brimming with ideas and entrepreneurial spirit, a lack of conviction in their ability to make a success of a new venture appears to be holding them back. Their most common reservations are around the costs and practical skills associated with starting up a new company. While those concerns are understandable, these barriers are surmountable as funding and support are available. The underlying problem appears to be a lack of knowledge about what support is out there to help get new business ideas off the ground.

The key to unlocking the potential in these young people is to connect them with the right networks and services to give them the tools and self-confidence they need to bring their business ideas to life.

With the right support from organisations like ours and from the government, there is no limit to how much these young people can achieve. With your support, we can help even more aspiring business owners to succeed.



YOUTH  
CAN  
DO IT

# Executive Summary



2

## 2 Executive summary

### Overall summary

There is considerable untapped potential in disadvantaged young people and their ideas. This report reveals the extent to which young people from disadvantaged backgrounds, who are unemployed or under-employed, are interested in developing ideas into products and services, and starting their own business.

Two in five of these young people (39%) have had ideas for products and services they think they could sell and more than half (54%) would like to run their own company.

In addition, more than one third (36%) of these young people have previously earned money by selling something online.

While the thought of establishing a business clearly appeals to these young people, many lack confidence that they would succeed with such a venture. Self-identifying as someone who could launch their own business is also a barrier, with only 8% describing themselves as entrepreneurial.

The enthusiasm for becoming their own boss is often combined with concerns around the practical and financial resources needed to set up: eight in ten (79%) young people say not having enough money to set up their own business is a barrier. Perception barriers also exist with four in five (82%) young people thinking the UK business sector is difficult to get into.

There is also a lack of knowledge about what support is available to help get their business ideas off the ground: only two in ten (22%) young people agree that they know where to go for advice about setting up a business.

To help realise their potential, it will be important to ensure young people receive the right support at the right time. This will help develop the skills and confidence to turn business aspirations into a reality.

### Character and motivation

- Only 8% of all young people use the term entrepreneurial to describe themselves
- Only a third (35%) of young people feel they have total control or a large degree of control over their career path
- 60% of young people agree they need help to understand their career opportunities

### Views on starting a business

- Half (54%) of young people would like to run their own business or be their own boss
- Two in five (39%) young people have had an idea for a new product or service that they think could be used to start a business
- Over half of young people think they could gain greater independence (58%) and increased confidence (56%) from starting their own business
- Two in five (39%) young people can see a better future for themselves if they set up their own business
- More than one third (36%) of these young people have previously earned money by selling something online

### Barriers to starting a business

- Four in five (82%) young people think the UK business sector is difficult for young people to get into
- The idea of setting up a business is too daunting for 54% of young people
- The main barrier for young people to starting their own business is the lack of money (79%)
- Young people also feel they would need a lot of support to start their own business (71%)
- Only two in ten (22%) young people agree that they know where to go for advice about setting up a business
- Young unemployed people find it difficult to know where to start to set up their own business (75%)

## Support requirements

- Six in ten young people think having easier access to finance (63%) and having more information or guidance on how to do it (59%) might help them to start a business
- Half (49%) of young people think having a mentor might help them to start a business

## Learning mechanisms

- The most popular methods of finding out more about setting up a business would be attending an event or course, talking it through with a guide or mentor (both 47%) or general online searching (39%)
- 78% of young people have learned things from other people online, and three in four (75%) agree you can learn anything online
- A third (34%) of young people would use an online course to learn something new outside school, college or university
- YouTube or other video sites are most popular among young people for learning something new outside school

Throughout this text we refer to ‘young people’ in our analysis – in each instance this relates specifically to the group we surveyed for the purposes of compiling this report.



# Recommendations



## 3 Recommendations

### Challenge perceptions and myths

The term 'entrepreneur' does not tend to resonate with young people, even though many are engaged with the idea of starting a business. As such, to encourage young people to take the next step with their business ideas, it will be important to challenge these perceptions and promote a wider understanding of what entrepreneurship might look like. This should include consideration of the specific terminology used.

One in three think the UK business sector is not at all welcoming to young people so it is important to encourage businesses to think about how they position themselves to attract and retain a diverse workforce, including young people.

### Address barriers by promoting relevant support and advice

Most young people are unaware of the support and advice available to those thinking of starting a business.

A way to tackle this is to promote awareness of available support and advice, through channels and approaches that are relevant to young people.

In particular, young people are discouraged by concerns around the practical and financial implications of starting a business and eight in ten see lack of funds as a barrier.

Business financing options are therefore a particularly important area to address with support and advice.

This will increase understanding of the variety of business models that are available, including those that don't require significant upfront investment.

### Build confidence

Young people are discouraged by a lack of confidence that they would succeed with a business venture. There is a need to promote positive and relevant business role models, including those from disadvantaged backgrounds and those that have followed less traditional routes into business.

### Encourage creativity

Many young people are keen to use their own ideas and creativity in the workplace, even if this does not involve starting a business. A broader understanding of innovation needs to be promoted which is inclusive of the varied ways in which people can use and contribute ideas.

Businesses need to be open to new ideas and unique ways of thinking from staff, including younger and more junior employees.

# Method



## 4 Method

YouGov interviewed a sample of 747 UK adults aged 18 to 30 between 21st July and 7th August 2017. The sample is defined as ‘disadvantaged young people who are not in secure employment’. Respondents who met this criteria were invited to this survey exploring issues such as career aspirations, views on starting a business and innovation.

### Sampling and the criteria

#### Young people

Throughout this report, the overall sample of 18 to 30 year olds is referred to as ‘all young people’. Participants were either living in the lowest two deciles of the Index of Multiple Deprivation (IMD), or had free school meals. They were also unemployed, not working, in ‘insecure’ temporary or zero-hours employment or considered themselves ‘under-employed’ (i.e. with a job but wanting to do more hours).

The Index of Multiple Deprivation (IMD) is the official measure of relative deprivation for small areas (or neighbourhoods) used by the Office for National Statistics (ONS). The IMD ranks every small area in England from 1 (most deprived area) to 32,844 (least deprived area). This measure is most often used in saying whether a certain small area falls among the most deprived 10%, 20% or 30% of small areas (although there is no definitive cut-off at which an area is described as ‘deprived’). For the purpose of this study, YouGov identified potential participants from small areas within the most deprived 20% of the latest rankings.

The employment definitions are based on ONS definitions of ‘unemployed’, ‘not working’ (otherwise known as economically inactive). ‘Insecure’ employment is defined as fixed-term, zero-hours, or temporary work.

#### Targeted groups

Within the total sample of 747, a subset of 235 young people was identified who liked the idea of starting a business and have had an idea which could be used to start a business. Throughout this report, this subset is referred to as ‘those interested in starting a business’.

Those interested in starting a business are identified as those who ‘agree’ or ‘strongly agree’ they want to run their own business or be their own boss, and they have had an idea for a new product or service that they think could be used to start a business.

We also identify a separate smaller group of people as ‘those interested in creativity or innovation’. These people ‘strongly agree’ they want to work for a company that is developing new ideas, or think that using their own ideas or creativity is ‘very important’ when thinking about their future employment or work life.

## Weighting

As well as being targeted through the detailed sampling frame described above, all responses in this report are weighted according to the statistical levels of populations in each region, and the proportions of our sample in unemployment and other economic inactivity.

**Table 1: Numbers and breakdown across important demographics**

Gender	Number	Unweighted proportion	Weighted proportion
Male	189	25%	51%
Female	558	75%	49%

Age	Number	Unweighted proportion	Weighted proportion
18-25	362	48%	51%
26-30	385	52%	49%

Employment	Number	Unweighted proportion	Weighted proportion
Unemployed or not working	605	81%	81%
Insecure employment	142	19%	19%

Region	Number	Unweighted proportion	Weighted proportion
North East	42	6%	4%
North West	111	15%	11%
Yorkshire and the Humber	75	10%	9%
East Midlands	54	7%	7%
West Midlands	81	11%	9%
East of England	59	8%	9%
London	91	12%	15%
South East	55	7%	13%
South West	58	8%	8%
Wales	44	6%	5%
Scotland	61	8%	8%
Northern Ireland	16	2%	3%

Target groups	Number	Unweighted proportion	Weighted proportion
Those interested in starting a business	235	31%	31%
Those interested in creativity or innovation	195	26%	26%
Others	317	43%	43%

## Qualitative research

Two face-to-face focus groups were conducted with young people (aged 18-30) who were unemployed / not working and living in London or the surrounding area. The focus groups were split by gender. The 90-minute sessions were held back-to-back at YouGov's offices on Tuesday 15th August.

Two online focus groups were conducted with young people (aged 18-30) who were underemployed (working on a zero-hours contract, a fixed-term contract, or working part-time and looking to increase their hours). Participants were recruited from across the UK, focus groups were split by gender and the 90-minute sessions were held back-to-back on Monday 21st August.

A mix of social grade and education level were recruited across all of the focus groups. A mix of personalities was also achieved (as measured by the words individuals chose to describe themselves).

# Character and motivations



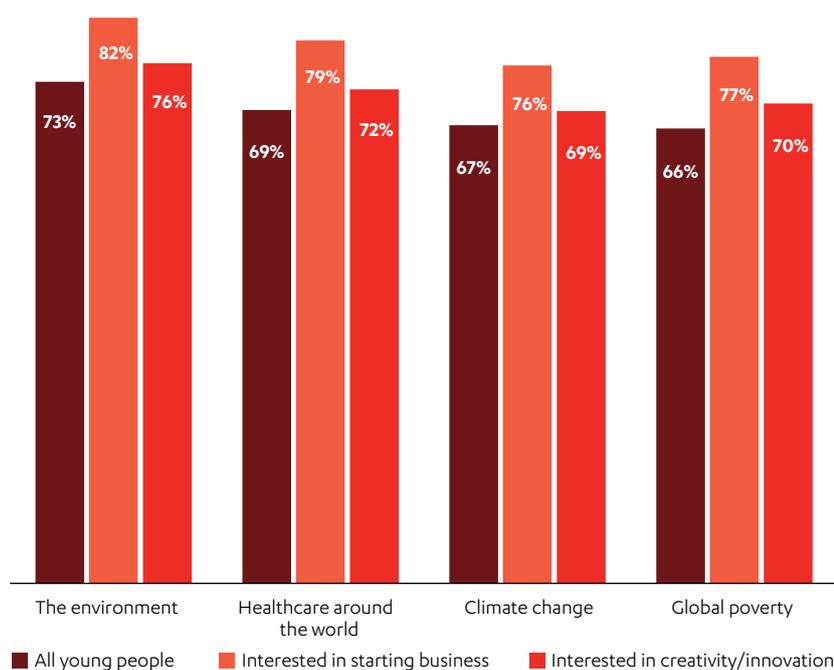
# 5 Character and motivations

## Engagement with issues

We asked young people how concerned they are about four issues that are often in the news. Most are quite or very concerned about the issues. Seven in ten young people are concerned about the environment (73%) and healthcare around the world (69%). Slightly fewer – two in three – are concerned about climate change (67%) and global poverty (66%). Those interested in starting a business are significantly more likely to be concerned about all four of the issues. Eight in ten are concerned about the environment (82%) and healthcare around the world (79%). Those interested in creativity or innovation are also slightly more likely to be concerned about the issues compared to all young people.

Young women are more likely to be concerned about healthcare around the world (78%, 61% men), global poverty (73%, 59% men) and climate change (76%, 62% men). Concern about climate change is highest among those living in London (75%), the south and Scotland (both 73%), and lowest among those living in the Midlands and the east (both 55%). Young people living in London and the south (both 73%) are more likely to be concerned about healthcare around the world. Concern for the environment increases to eight in ten among those living in London (79%) and Scotland (81%).

Figure 1: News issues most concerning to young people (% very or quite concerned)



Those interested in **creativity** or **innovation** are also slightly **more** likely to be **concerned** about the **issues** in the news compared to all young people

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

## Personality types

The top three descriptions young people select for themselves are open-minded (72%), knowledgeable (56%) and reliable (54%). However, only 8% of all young people use the term entrepreneurial to describe themselves. Young people interested in starting a business are more likely to describe themselves as entrepreneurial (16%, 8% all young people), a risk-taker (25%, 18% all young people), passionate (61%, 49% all young people) and open-minded (83%, 72% all young people). There are not significant differences between young men and women describing themselves as entrepreneurial, a risk-taker or motivated. Those interested in starting a business are more likely to describe themselves as bored, one in three (36%), compared to one in four (24%) of those interested in creativity or innovation.

“I don’t think I’m good enough at selling myself/a thing to be an entrepreneur!”

Female, South East

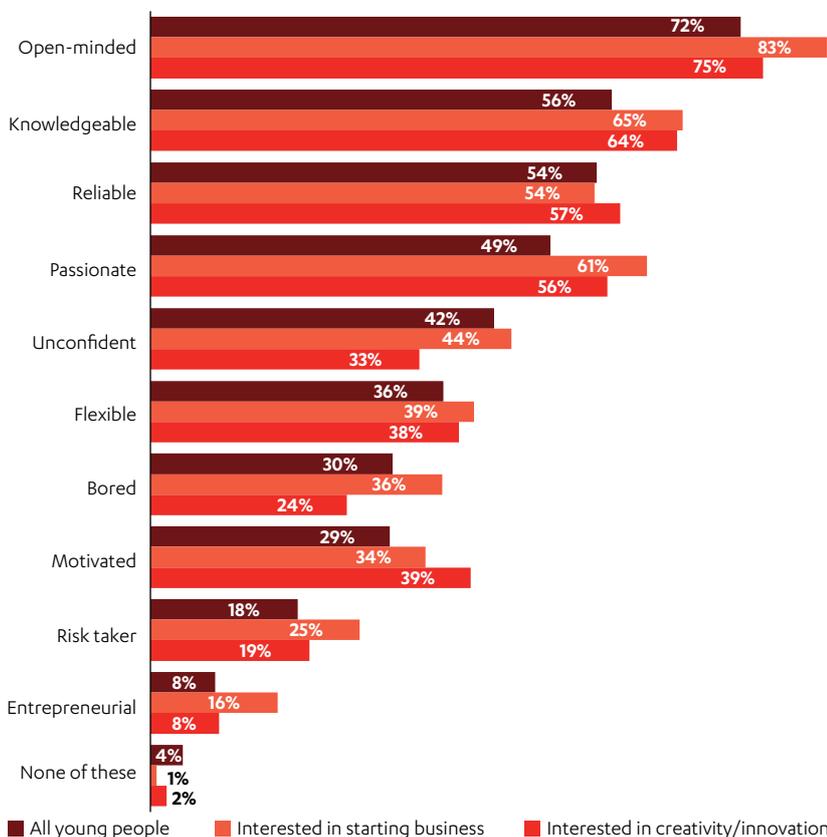
We explored perceptions towards entrepreneurs in the focus groups. Young people describe entrepreneurs as confident, sometimes arrogant, people who are committed to making money and unafraid to act on instinct and take risks. Young people suggest that they do not identify with being entrepreneurial because they feel that they lack the self-confidence and/or vital skills needed to be an entrepreneur (e.g. sales acumen).

Young people see ‘innovators’ being motivated by ideas – they’re described as: creative, path-finders, problem-solvers, developers, generators of new ideas, passionate, nurturers, quirky, intelligent, value-adders, and able to think outside the box.

“[An entrepreneur is] someone who sets up their own business and makes a success of it. They’re usually bold and unafraid of risk, and willing to work hard to get what they want.”

Male, South East

Figure 2: Personality descriptions



Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

72% of all young people describe for themselves as **open-minded** however only 8% use the term **entrepreneurial** to describe themselves

Young men are more likely to describe themselves as knowledgeable (62%, 50% women), whereas young women are more likely to choose reliable (63%, 46% men) and passionate (57%, 41% men) to describe themselves. Those aged 26 to 30 years old are also more likely to describe themselves as reliable (60%, 49% of 18 to 25 year olds). Those young people who are working are more likely to describe themselves as motivated (40%, 27% unemployed or not working) and flexible (51%, 32% unemployed or not working).

“I find my parents inspirational. They had to move to England when I was only ten, and coming to a new country and leaving everything behind in India is a big gamble...”

**Male, North West**

“I think the turbulence of the job market right now doesn't help. Also the fact that employers are expecting more and more from candidates, it gets to the point where it's unfair.”

**Female, East of England**

“I think that I doubt myself, to the point that I seem to set myself up to fail subconsciously. I think if I were more confident I'd be a lot further on in my career... I also have a disability, which is quite a big barrier I've had to overcome...”

**Female, East of England**

## Influencers

Six in ten (58%) young people have someone who is a great influence on their career or someone they strive to be like, increasing to three in four (74%) for those interested in starting a business. Young people are most likely to be influenced by, or strive to be like, a parent (20%), a friend (19%), or a teacher or professor (18%). Young people interested in starting a business were more likely to be influenced by a friend (29%) first, then a parent (27%) and finally a teacher or professor (25%). Those interested in starting a business are also more likely to be influenced by, or strive to be like an actor, musician or other celebrity (23%, 15% all young people), or a business leader or company founder (21%, 12% all young people).

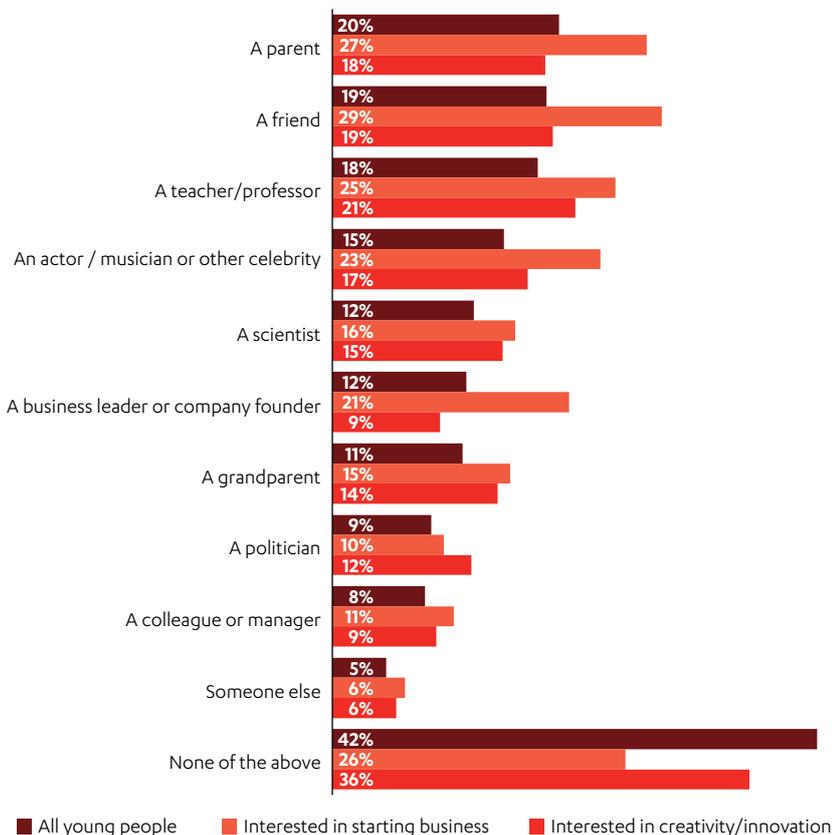
Young people interested in creativity or innovation are more likely to have a politician (12%) as a great influence, or someone they try to be like, compared to those interested in starting a business (10%). However, those interested in creativity or innovation are less likely to be greatly influenced by, or strive to be like a business leader or company founder (9%, 21% those interested in starting a business).

Young men are twice as likely to be influenced or inspired by a scientist (18%, 6% women) or a politician (12%, 5% women). Those aged between 18 and 25 years old are more likely to be influenced or strive to be like a politician (12%, 5% 26 to 30 year olds), or an actor, musician or other celebrity (19%, 11% 26 to 30 year olds).

Those working are more likely to have a teacher or professor (32%, 15% unemployed or not working), or a grandparent (18%, 10% unemployed or not working) as someone who has a great influence on their career, or someone they try to be like.

Having a teacher or professor as a great influence or inspiration is most likely among those living in London (30%, 18% all young people). A quarter (25%) of young people living in Scotland, and a fifth (21%) of those living in London see a business leader or company founder as a great influence or someone they strive to be like, compared to 12% of all young people. Young people living in the south (19%), Scotland (18%) and London (16%) are more likely to have a scientist as a great influence on their career, or someone they try to be like, compared to all young people (12%).

Figure 3: Individuals that have a major influence on career path



**74%** of those young people interested in starting a business have someone who is a great influence on their career or someone they strive to be like

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

## Importance of enjoying work

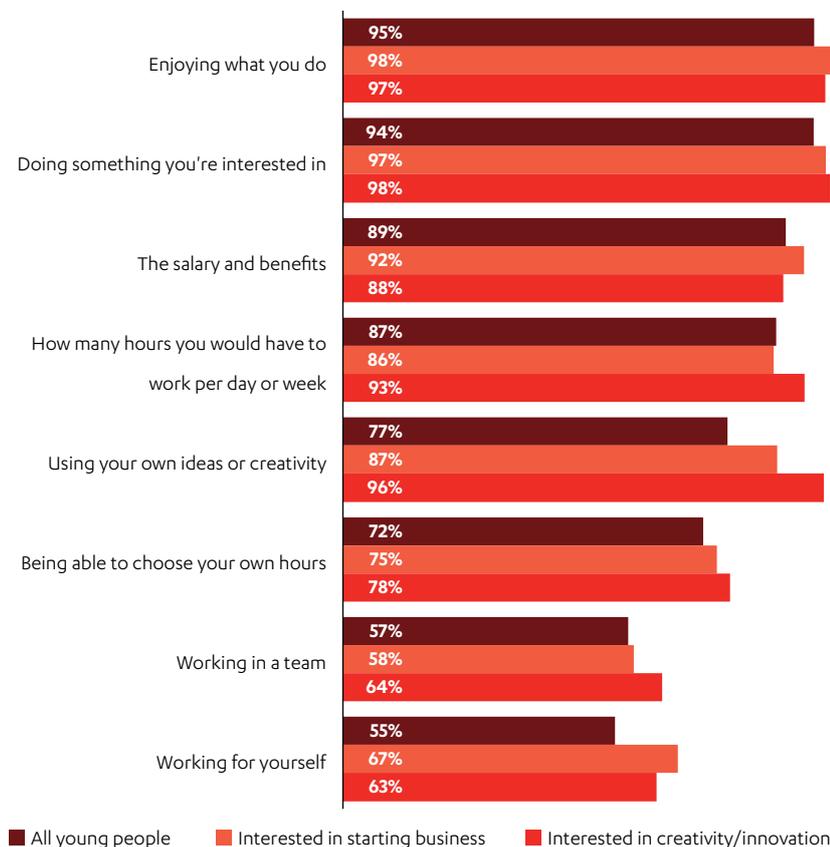
Almost all young people rate enjoying what they do (95%) and doing something they're interested in (94%) as important aspects of their future employment or work life. Using their own ideas or creativity is an important factor for young people interested in creativity or innovation (96%), and those interested in starting a business (87%). Those interested in creativity or innovation are more likely to say that important aspects of their future employment or work life are how many hours they would have to work per day or week (93%, 87% all young people), being able to choose their own hours (78%, 72% all young people) and working in a team (64%, 58% those interested in starting a business). Working for themselves is an important factor for two in three young people interested in starting a business (67%, 55% all young people).

Young women are more likely to rate enjoying what they do (97%, 92% men), the salary and benefits (93%, 84% men), how many hours they would have to work per day or week (91%, 83% men), and being able to choose their own hours (81%, 64% men) as important aspects of their future employment or work life. Being able to choose their own hours is more important among 26 to 30 year olds (77%, 67% 18 to 25 year olds). Young people who are unemployed or not working are more likely to say that enjoying what they do (97%, 86% working), doing something they're interested in (96%, 87% working), the salary and benefits (90%, 82% working), and how many hours they would have to work per day or week (89%, 80% working) are important aspects of their future employment or work life.

"I'm mostly motivated by eventually moving into a full time career that I enjoy off the back of my MA. I'd like to clear my overdraft and start building up to an income level where I can support my family."

Male, South West

Figure 4: Most important aspects of work (% very or fairly important)



Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Almost all young people we surveyed rate enjoying what they do (95%) and doing something they're interested in (94%) as important

## Career personal attitudes

Seven in ten (73%) young people agree that their career is their responsibility. This increases to eight in ten (81%) for those interested in starting a business. Six in ten (60%) young people agree they need help to understand their career opportunities, and seven in ten (68%) want support to develop their career.

Young people interested in starting a business, and those interested in creativity or innovation, are more likely to agree that they want to be 'in the driving seat of their career' (80% and 77%), can make their own career opportunities (both 56%), and are not scared of making mistakes in their career (46% and 50%).

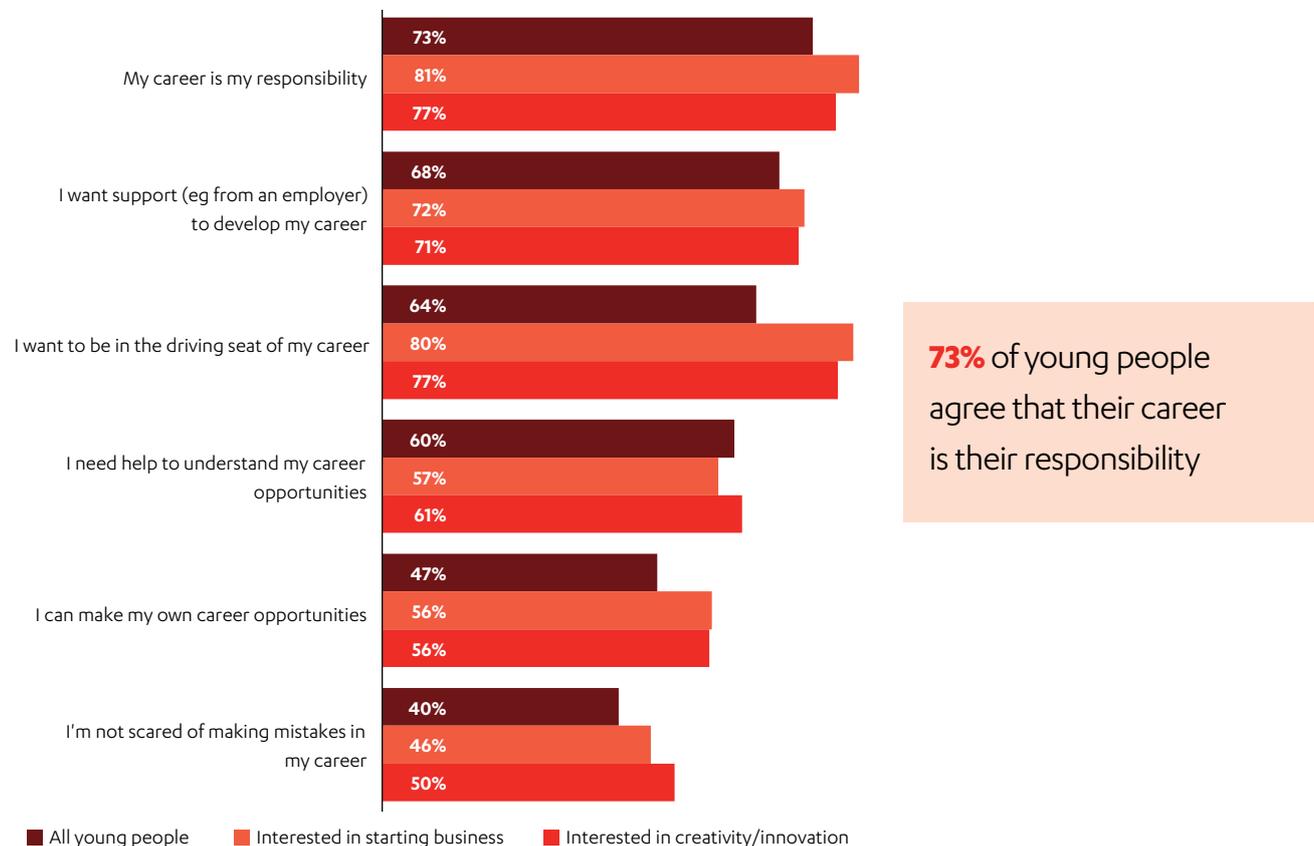
Young people who are unemployed or not working are more likely to agree that their career is their responsibility (76%, 64% working) and they want support to develop their career (70%, 58% working). Those aged between 26 and 30 years old are more likely to agree that they can make their own career opportunities (52%, 42% 18 to 25 year olds) and they are not scared of making mistakes in their career (47%, 33% 18 to 25 year olds).

## Feeling of career control

One in three (35%) young people feel they have total control or a large degree of control over their career path, increasing to two in five (42%) for those interested in creativity or innovation. Young people interested in starting a business are more likely to feel that their career path is mainly influenced by events outside their control (42%, 29% those interested in creativity or innovation). Those aged 18 to 25 years old are more likely to feel a large degree of control over their career path (32%, 24% 26 to 30 year olds).

During the focus groups a number of influences were highlighted as having an impact on a young person's ability to secure the work they want. Some of these influences were external. A competitive industry and lack of jobs are examples of such. Having a lack of experience often places participants at a disadvantage for more skilled roles.

Figure 5: Young peoples attitudes towards their career (% strongly or tend to agree)



Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Other influences highlighted in the qualitative discussions are internal. Low self-confidence is a significant barrier for many young people (especially females). The impact of having low self-confidence is broad. Young participants who lack self-confidence find the process of looking for employment intimidating and agree that they have a tendency to underestimate their abilities or hold themselves back by ‘talking themselves out’ of opportunities. Others move slowly on initiatives because they are waiting for external approval and validation. Living with mental health issues and / or disability creates other challenges for some.

“I hope it doesn’t sound snobbish, but I think it’s not particularly challenging to find unskilled work – in retail or manual labour - but for the professional roles I’d really like, there tends to be a lot of candidates and it’s really difficult to get a foot on the ladder without having the requisite training. I’d definitely love a proper 9-5 job though.”

Male, South East

“I think the jobs market – for graduates at least – is heavily focused to just a few industries such as recruitment and finance. That’s fine if you want to work in those industries and you manage to get a job, but opportunities in other sectors seem much more scarce.”

Male, South West

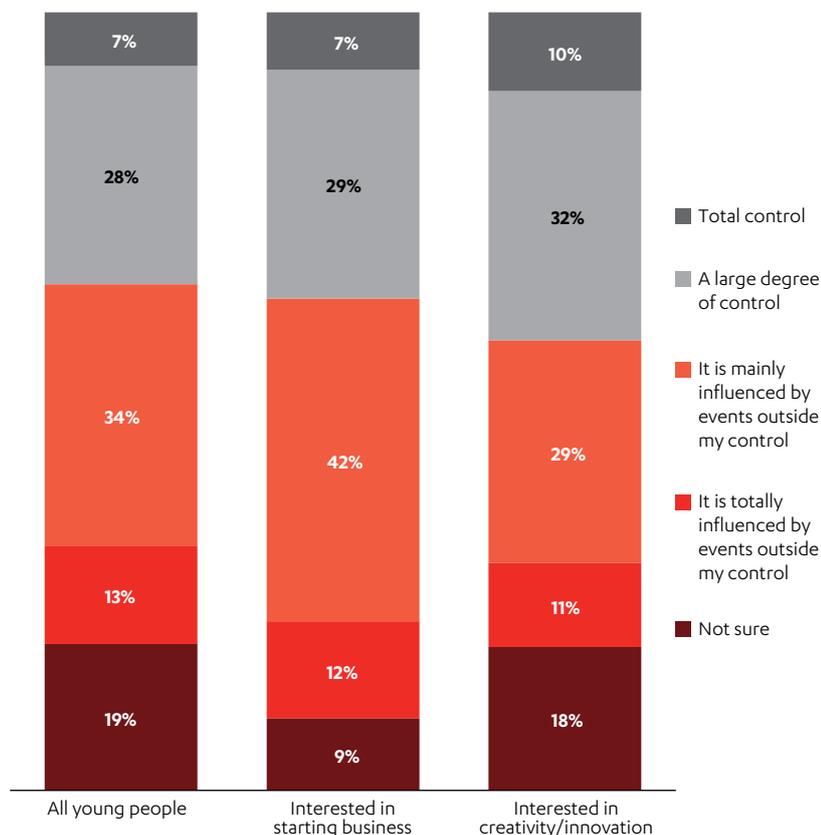
“You can go for an interview and if you don’t have confidence, even if you are perfect for the job, they won’t even look at you twice.”

Female, Yorkshire and the Humber

“It is quite difficult for me because I suffer with anxiety problems, so I find a lot of things difficult...I struggle with having the confidence to do a lot of things.”

Female, South East

Figure 6: Feeling of control over their career path



35% of young people feel they have total or a large degree of control over their career path, increasing to 42% for those interested in creativity or innovation

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

# Career ambitions



# 6 Career ambitions

## Perceptions of UK business

Four in five (82%) young people think the UK business sector is difficult for young people to get into, with half (52%) thinking this ‘a lot’. One in three (31%) young people think the UK business sector is ‘not at all’ welcoming to young people. Those interested in creativity or innovation are more likely to think the UK business sector is ‘not at all’ a place with good opportunities for young people (27%, 20% all young people). Young people who are unemployed or not working are also more likely to think the UK business sector is ‘not at all’ a place with good opportunities for young people (22%, 11% working).

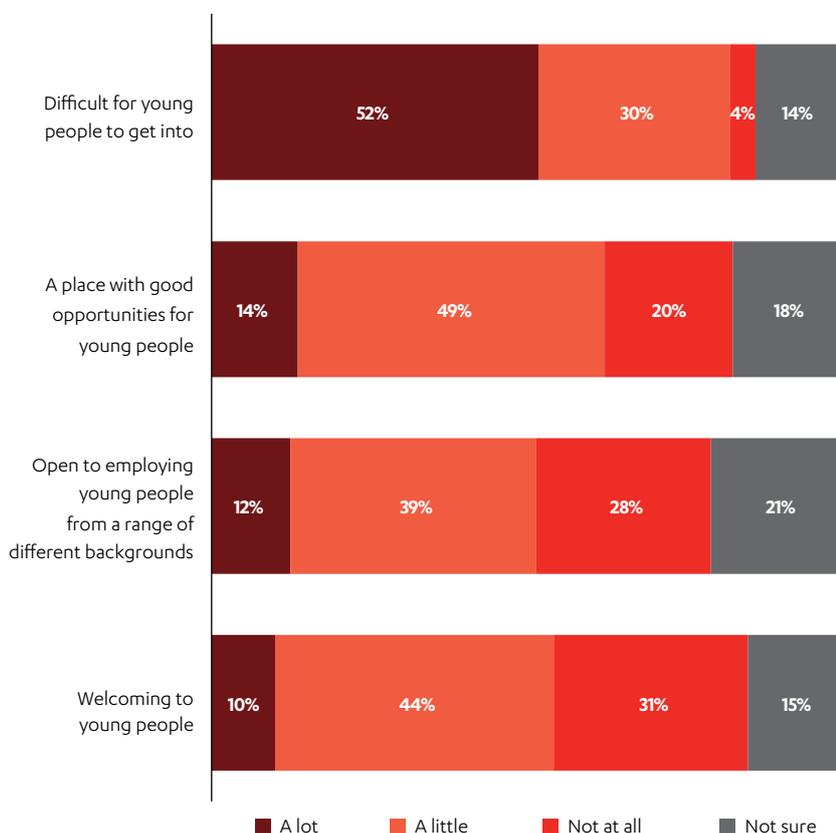
The majority of young people think the UK business sector is a place with good opportunities for young people (62%), welcoming to young people (54%) and open to employing young people from a range of different backgrounds (51%). Young men (16%, 9% women - ‘a lot’) and those living in London (23%, 12% all young people - ‘a lot’) are more likely to strongly think that the UK business sector is open to employing young people from a range of different backgrounds. Those

interested in starting a business are more likely to think the opposite, that the UK business sector is ‘not at all’ open to employing young people from a range of different backgrounds (37%, 28% all young people).

When prompted in the qualitative discussions, most young people, especially those that live in deprived regions, struggle to pinpoint innovative businesses in their area. Those that are mentioned tend to be well-known brands (for example, Spar and Saga), tech companies (for example, ‘Silicon Fen’ in Cambridgeshire) or local organisations (for example, local breweries and universities).

A few criticise companies for taking advantage of young workers, seeing young employees as cheaper labour. There is a general consensus that, for many young people, employment no longer feels like a permanent agreement, which is an uncomfortable idea for those prioritising longer-term stability. However, this attitude is perhaps understandable given the focus groups were held with unemployed or underemployed audiences.

Figure 7: How young people view the UK business sector



**82%** young people think the UK business sector is difficult for young people to get into

Base: All young people (747)

## Attractive employment types

Working for their own company is the most popular choice among young people, with four in ten (39%) saying they would like to work for their own company during their working life. This increases to seven in ten (69%) for those interested in starting a business. Three in ten (30%) young people would like to work for a public sector organisation or a non-profit organisation. Working at a start-up company is less popular among young people, with only 17% wanting to work for one during their work life. Those interested in starting a business are also more likely to want to freelance (43%, 27% all young people), work for an established local company (38%, 28% all young people) or work for a start-up company (26%, 17% all young people). Only one in ten (10%) young people interested in starting a business do not know what kinds of organisation they would like to work for during their work life, compared to two in ten (21%) of all young people.

Young people who are working are more likely to want to work for an established local company (37%, 26% unemployed or not working) during their working life. Those living in London are more likely to want to work for their own company (48%, 39% all young people), a well-known international company (41%, 27% all young people), a well-known national company (37%, 27% all young people) or a start-up company (26%, 17% all young people).

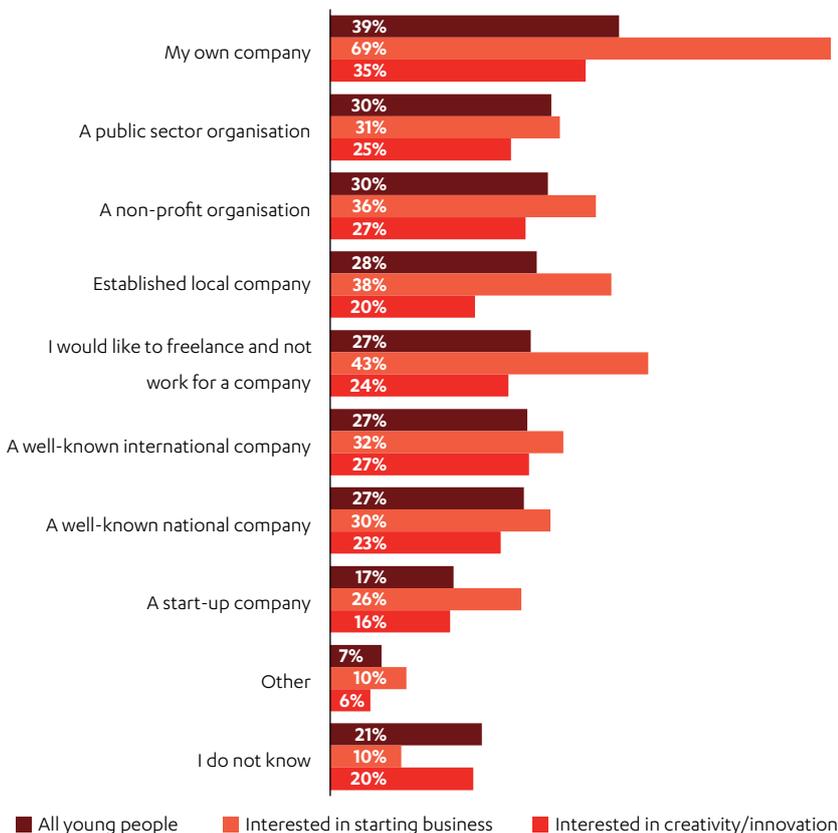
“Companies often expect 100% but don’t return the favour. I like freelance work as it gives ample free time and I can decide when/where to work, if only it was more consistent.”

Male, South East

“Progression now seems to be earned jumping from employer to employer rather than just waiting for your turn within a single employer.”

Male, East of England

Figure 8: Kinds of organisations young people would like to work for



Those **interested** in starting a **business** are also more likely to want to **freelance**

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

## Attitudes to different types of employers

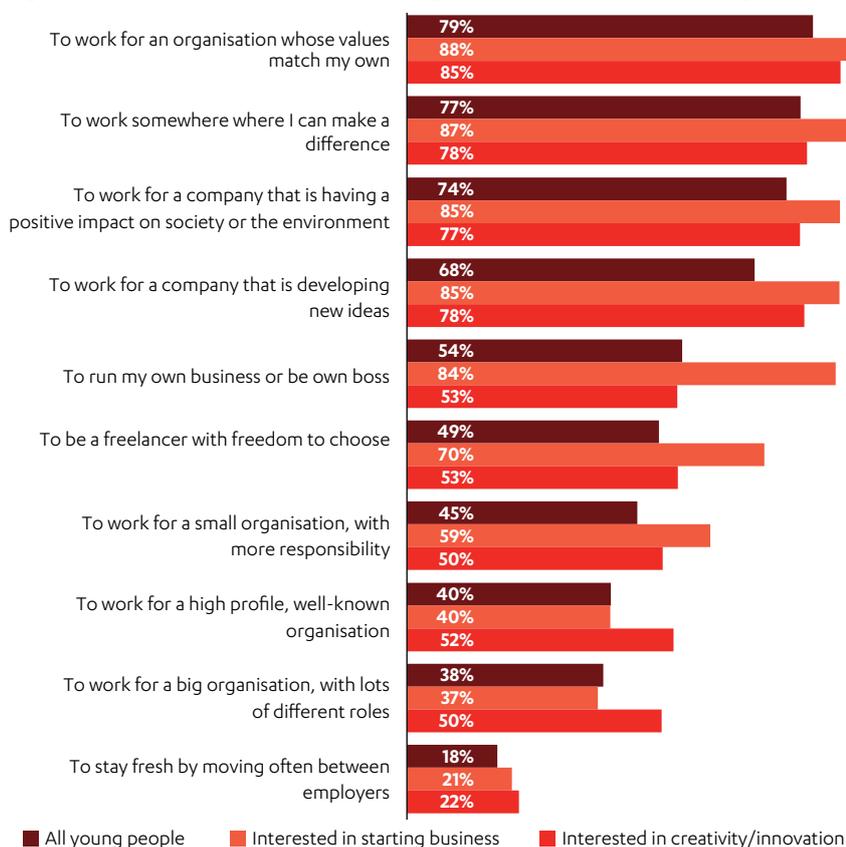
Young people are most attracted to organisations with similar values to their own, somewhere they feel they can make a difference and having a positive impact on society or the environment. Four in five young people agree that they would like to work for an organisation whose values match their own (79%) or somewhere they can make a difference (77%). Three in four (74%) young people would like to work for a company that is having a positive impact on society or the environment.

Eight in ten (84%) young people interested in starting a business agree they would like to run their own business or be their own boss, compared to half (54%) of all young people. Young people interested in starting a business are also more likely to agree that they would like to be a freelancer with freedom to choose, seven in ten (70%) young people interested in starting a business, compared to five in ten (49%) for all young people. Young people interested in starting a business are also more likely to want to work for an

organisation whose values match their own (88%, 79% all young people), somewhere where they can make a difference (87%, 77% all young people), a company that is developing new ideas (85%, 68% all young people), a company that is having a positive impact on society or the environment (85%, 74% all young people), a small organisation, with more responsibility (59%, 45% all young people), and stay fresh by moving often between employers (21%, 18% all young people).

Those interested in creativity or innovation are more likely to want to work for an organisation whose values match their own (85%, 79% all young people), a company that is developing new ideas (78%, 68% all young people), a high profile, well-known organisation (52%, 40% all young people), a big organisation, with lots of different roles (50%, 38% all young people), a small organisation, with more responsibility (50%, 45% all young people), and stay fresh by moving often between employers (22%, 18% all young people).

Figure 9: Types of employer or career young people want to have (% strongly or tend to agree)



**Over half** of all young people **want** to run their **own business**

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Young women are more likely to want to work somewhere where they can make a difference (82%, 72% men). Those aged between 26 and 30 years old are more likely to want to run their own business or be their own boss (59%, 49% all young people).

## Job choice if they were forced to change

Working young people would either prefer to start their own business or develop their own idea (31%), or do a different job in a different firm or industry (31%) if they had to change job. Only 15% would do the same job somewhere else if they had to change job.

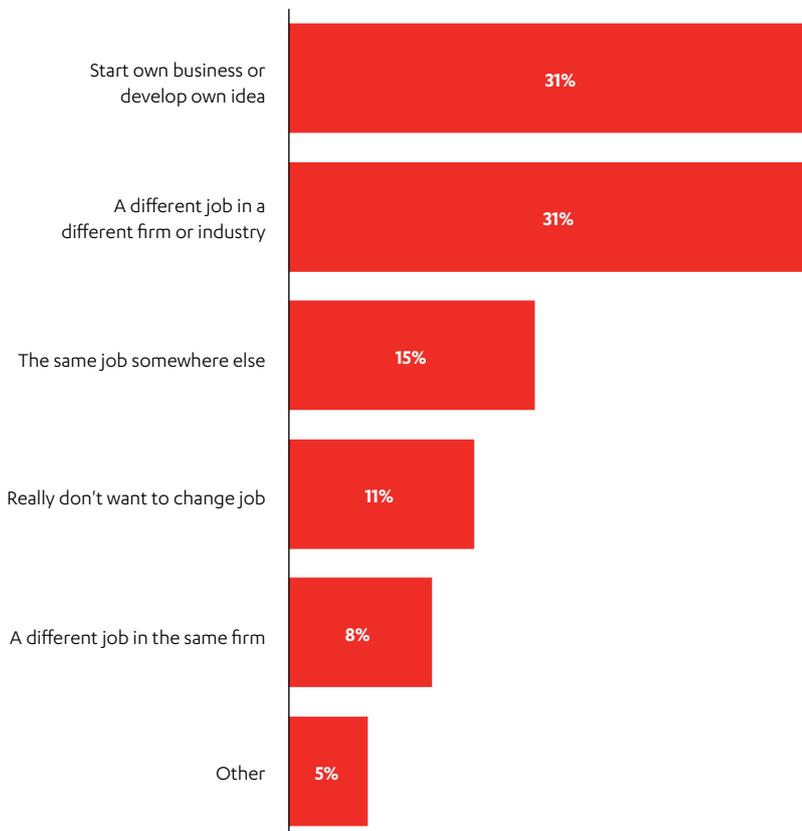
“I’m really excited about the prospect of being in a job which really makes a difference to people who are disadvantaged/struggling...”

Female, South East

“I am hoping to be earning an income (big or small) from my illustrations by the end of the year...I would love to work for myself producing work that is personal to me and others enjoy.”

Female, London

Figure 10: Preferred options for a young person having to change jobs



Base: Working young people (133)

The number of young people that would do another job at a different company is **matched** by those that would **start their own business**

## Aspirations in 10 years

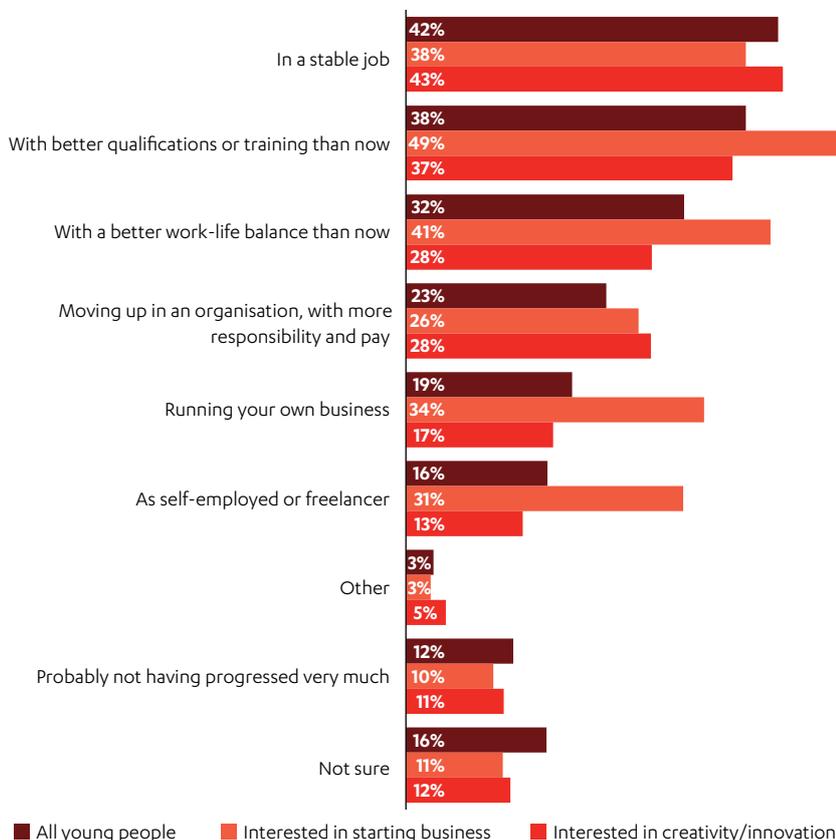
Young people are most likely to see themselves in a stable job in 10 years' time (42%) and with better qualifications or training than now (38%). Those interested in starting a business are more likely to see themselves with better qualifications or training than now (49%) in 10 years. Those interested in starting a business are also more likely to see themselves running their own business (34%, 19% all young people), as self-employed or a freelancer (31%, 16% all young people) and having a better work-life balance than now (41%, 32% all young people).

"I think lots of the big employers like to employ younger students - they aren't really expecting a job for life [and] I guess they can pay them less too."

Female, East of England

Those aged between 18 and 25 years old (26%, 19% 26 to 30 year olds) and working young people (32%, 21% unemployed or not working) are more likely see themselves moving up in an organisation, with more responsibility and pay in 10 years. Those working are twice as likely to see themselves running their own business in 10 years (34%, 15% unemployed or not working). Whereas, those unemployed or not working are more likely to see themselves in a stable job in 10 years (44%, 34% working). Young women are more likely to see themselves in a stable job (49%, 35% men), and with better qualifications or training than now (45%, 32% men). Young men are more likely to be unsure where they see themselves in ten years (19%, 13% women).

Figure 11: In 10 years, young people see themselves:



In 10 years time about **1/3** of those interested in **starting a business** believe they will be doing so **or** will be **self-employed**

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

# Starting their own business



# 7 Starting their own business

## Attractiveness

Half (53%) of young people find the idea of starting their own business attractive. Among young people interested in creativity or innovation (but not specifically wanting to start their own business), the attractiveness remains high at 46%. Attractiveness to young people of starting their own business does not differ by gender, age or working status.

## Motivations

A third (32%) of all young people agree that starting a business would be a dream career path. One in four (39%) young people can see a better future for themselves if they set up their own business. Those aged 26 to 30 years old are more likely to agree that they can see a better future for themselves if they set up their own business (46%, 33% 18 to 25 year olds).

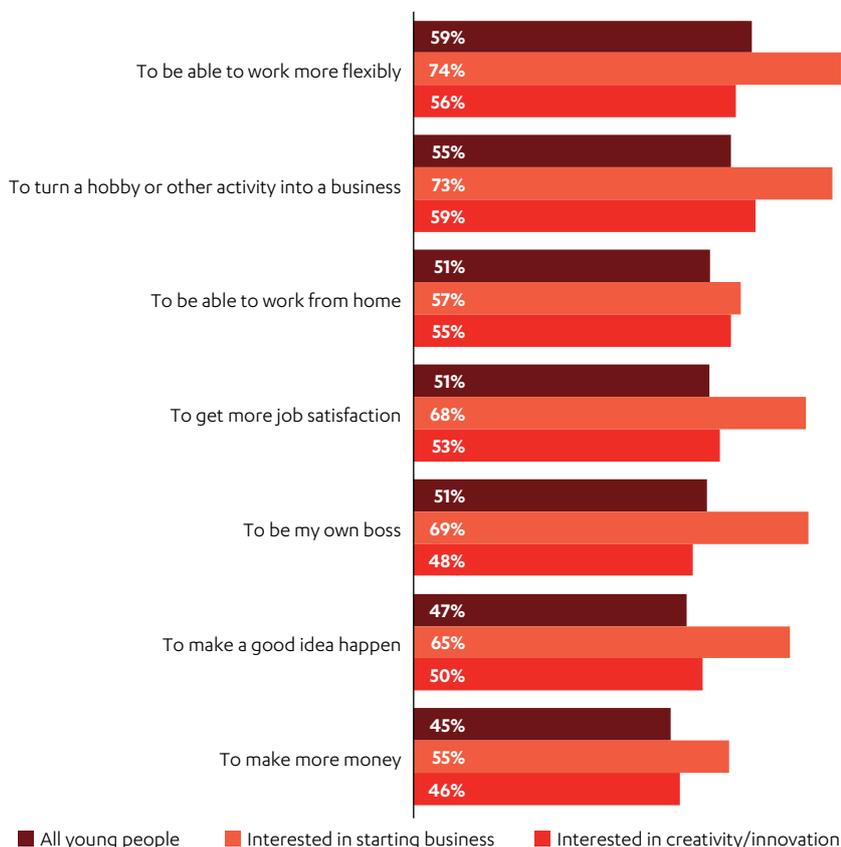
The attractions of having their own business for over half of young people are being able to work more flexibly (59%), turning a hobby or other activity into a business (55%), being

able to work from home (51%), more job satisfaction (51%) and being their own boss (51%). Those interested in starting a business are more likely to select as attractions turning a hobby or activity into a business (73%), to be their own boss (69%), to make a good idea happen (65%) and to do something that makes a difference to their community or society (59%). Those interested in creativity or innovation do not appear any more enthusiastic about the possible attractions of having their own business than young people in general.

Young men are more likely to be attracted to having their own business to make a good idea happen (53%, 42% women) and to do something better than their previous employer (24%, 14% women). Those aged 18 to 25 years old are also more likely to be attracted to making a good idea happen (54%, 40% 26 to 30 year olds).

Unemployed or those not working are more likely to find being able to work more flexibly (61%, 50% working), the ability to work from home (56%, 33% working), being their own boss (53%, 42% working) and achieving a better work-life balance (46%, 35% working) as attractions of having their own business.

Figure 12: Potential attractions of having your own business



To be able to work **more flexibly** was found to be the most supported attraction of **having your own business**

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Over half of young people think they could gain greater independence (58%) and increased confidence (56%) from starting their own business. Young people interested in starting their own business are more likely to see many gains from starting their own business. Seven in ten young people interested in starting a business think they could gain greater independence (73%), increased confidence (73%), greater self-worth (73%), increased motivation (71%) and professional satisfaction (71%) from starting their own business. Half (48%) of 18 to 25 year olds think having their own business will improve their leadership skills. Four in ten (43%) young unemployed or not working think they will gain better social skills and 67% of those living in the south think they will gain a greater self-worth from having their own business.

From the qualitative discussions, the overarching motivations for starting a business are flexibility and autonomy. When building a business from scratch, it is thought possible to design a business model that meets the needs of individuals' lifestyles. This means business owners have freedom over when they work and where they work. The advantage of this freedom is that owners are able to fit work around other priorities, such

as travel, more easily than if working on a rigid schedule, and answerable to someone else.

Another advantage of having autonomy is the ability to calibrate your exact role. Some believe that 'being their own boss' would mean they will be able to concentrate on the things that inspire them.

Over time many would expect to see a larger financial return compared to working in salaried employment as they would be directly benefiting from the profit made.

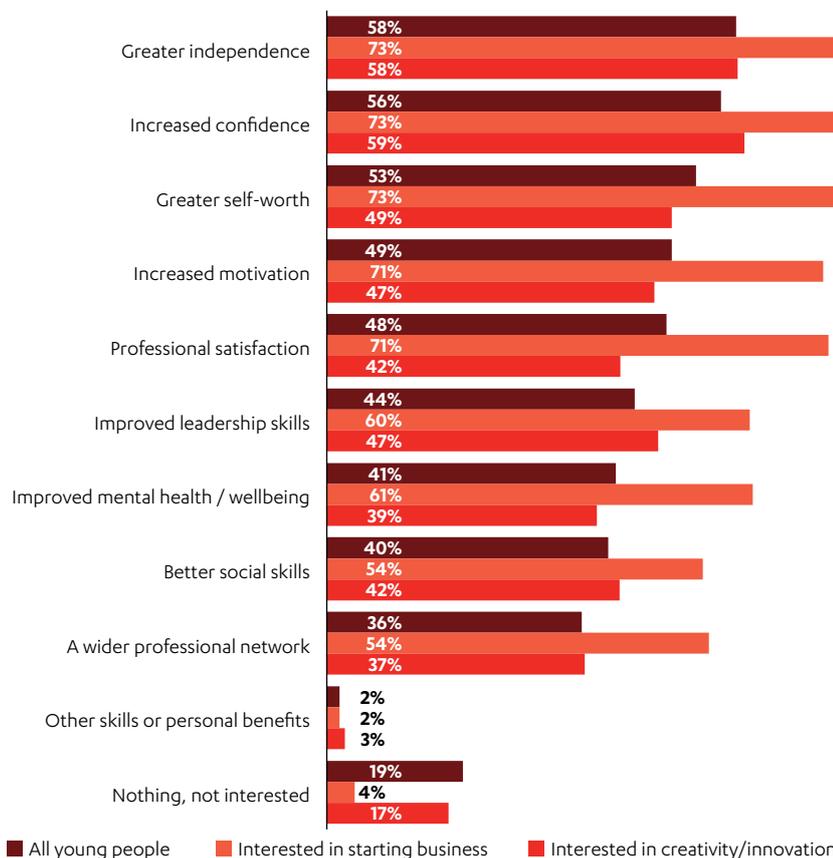
"Advantages to starting a business are the full share of glory/profit of the business that you get, and the ability to control your destiny..."

Male, East of England

"The advantages being I can start and finish whenever I want, I can work from where ever I want (a coffee shop, home or the beach!)"

Female, London

Figure 13: Personal gains from starting your own business



73% of those interested in starting a business felt they would gain **independence**, **confidence** and **greater self-worth** if they owned a business

## Barriers or concerns

The main barrier for young people to starting their own business is the lack of money (79%, 86% among those interested in starting a business). They also feel they would need a lot of support to start their own business (71%). The idea of setting up a business is too daunting for 54% of young people, however 29% of those interested in starting a business disagree with that statement. Half of young people (49%) wish they had the confidence to start their own business, increasing to three in five (59%) of those interested in starting their own business. One in four (40%) young people think employment will enable them to achieve more than starting their own business, whereas 36% of those interested in starting a business think the opposite.

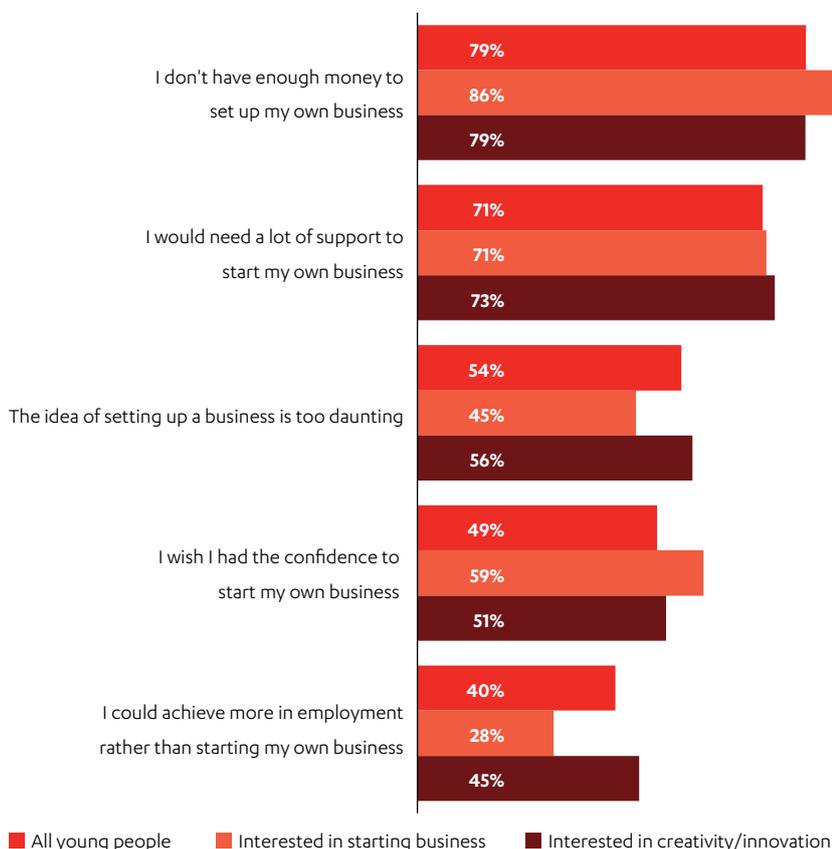
When considering starting a business the majority of young people are concerned about the finances and fears of failing. Over three quarters of young people are concerned about fears of getting into debt (79%), a lack of a steady income (79%), fears of failure (78%) and difficulties accessing start-up

finance (77%). Those interested in starting a business are more likely to be concerned about access to start-up finance (86%, 77% all young people) and technology (39%, 32% all young people). Young women are more likely to be concerned by fears of getting into debt (84%, 75% men) and opposition from a partner or family (29%, 21% men). Those aged between 18 and 25 years old are more likely to be reluctant to leave a steady job to set up their own business (53%, 48% all young people).

From the qualitative discussions, young people identify perceived risk as a large barrier to starting a business, particularly where finances are concerned. There is a commonly held belief that a large amount of start-up capital is needed in order to get a venture off the ground. On top of this there is the fear of failure. If the venture failed, much of the resource, time, and effort has been wasted.

Participants feel that more could be done to make finances less intimidating. For example, challenging the myths of large start-up capital and running costs by sharing real life examples could be effective.

Figure 14: Potential barriers to starting a business (% strongly or tend to agree)



Over half of those interested in creativity or innovation think that starting a business would be too daunting

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Another perceived barrier to starting a business is the investment needed in terms of energy and effort. Starting a business may require a lot of hard work and taking responsibility for a new venture would bring with it a lot of stress, uncertainty and sacrifice. In turn some young people worry about the wider impact this would have on their lives, such as missing out on precious time with family and friends.

The ability to generate ideas is another barrier. There is a belief that in order to have a successful business, owners need to bring fresh, different ideas to the table. Some state that they wouldn't be cut out for running their own business because they 'aren't creative enough'.

"I would love to start my own business but I think the main problem with doing so is getting the right amount of money to begin with.... I wouldn't know who to seek advice from either."

Male, East Midlands

This shows that more could be done to break down the myth that those with an idea need to 'reinvent the wheel' to have a successful business. Highlighting the different personalities or roles people fulfil could be effective here.

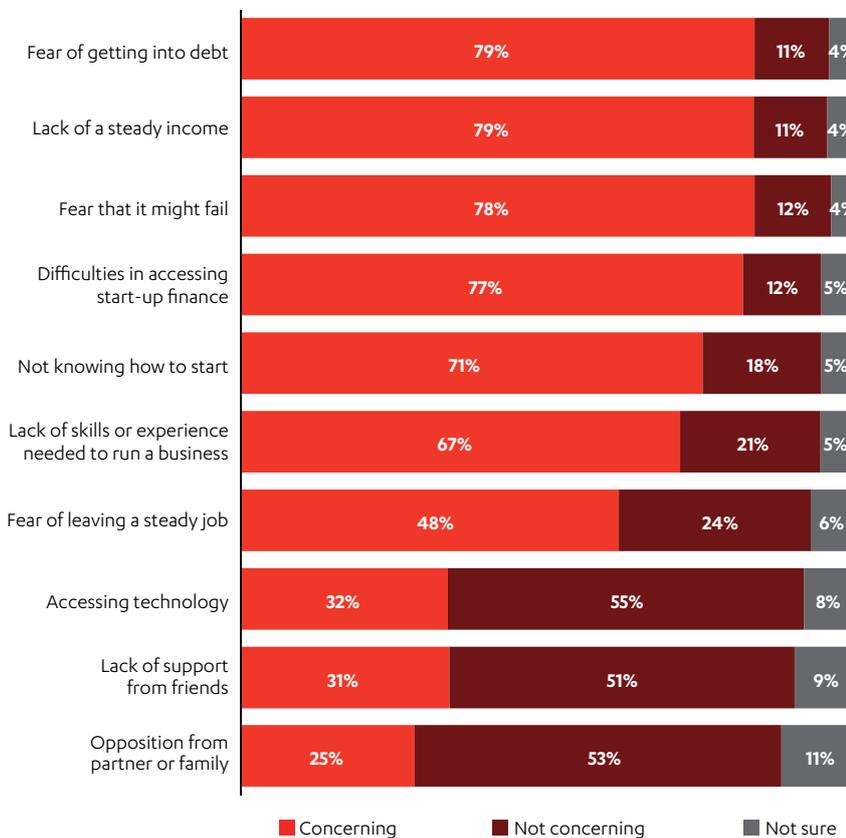
"...I think I'd need to have an exceptionally good, infallible idea to have the confidence to invest my own money into it. There's just too much risk, and I'd have to rely on bank loans that would be complicated. If it all falls apart I'd be left in a very precarious position."

Male, South East

"I'd definitely rather work for myself somehow but a permanent job gives you a lot of stability which is necessary these days to pay rent, food etc... the barriers are principally the money but also the fact that I'm not at all sure how I'd go about it, what the pitfalls are etc."

Male, South West

Figure 15: Concerns when considering starting a business



A lack of income concerns **79%** of young people when thinking about starting a business

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

## Help and advice

Only two in ten (22%) young people agree that they know where to go for advice about setting up a business, increasing slightly (28%) for those interested in starting a business. However, half of all young people (52%), alongside those interested in starting a business (52%) and those interested in creativity and innovation (56%) disagree that they know where to go for advice about setting up a business.

One in four (27%) young people are aware of help that is available from the government to support UK businesses, for example loans, grants or training programmes. Awareness increases to one in three (34%) for those interested in starting a business. Young men are more likely to be aware of available help (31%, 22% women).

From the qualitative discussions, young people are not clear on how they would go about starting and running their own business. They feel that a lack of clarity around the process makes it difficult for young people to understand what is

involved. They are uncertain about where to go to learn about logistics and access support. They feel that starting a business is an unusual thing to do and mainstream support systems (e.g. universities, jobcentres) are not set up to signpost people to the right resources.

When thinking about the support that would be valuable for starting a business, most would trust someone who had already gone through the process. Nearly all would like to have access to a personal mentor who could help them understand the business landscape and give them direction.

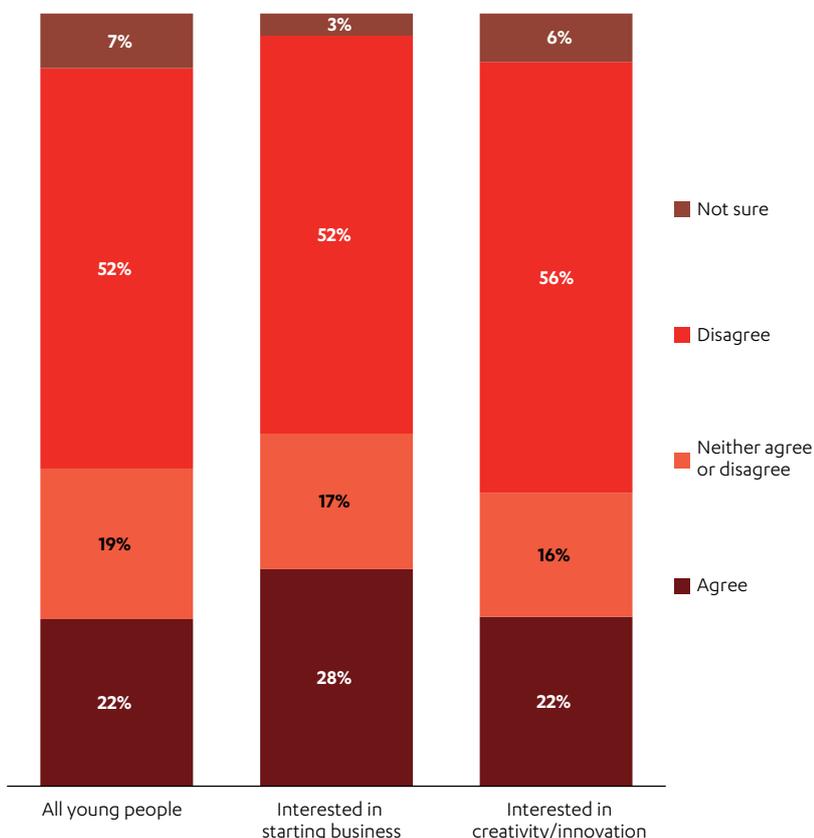
“Someone who could guide you through the steps of setting up a successful business.”

Female, South East

“If I were to start a business and need some advice I’d probably go have a chat with my tattooist, he [is] goal-aimed and succeeds and his shop has been running for a decade now.”

Female, North East

Figure 16: Know where to go for advice about setting up a business



Only **around a quarter** of those interested in starting a business know where to go for advice

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Six in ten young people think having easier access to finance (63%) and having more information or guidance on how to do it (59%) might help them to start a business, with those interested in starting a business being more likely to agree. Those interested in starting a business are more likely to think having easier access to finance (75%) and having more information or guidance on how to do it (69%) might help them to start a business.

“[I’ve] no idea where I’d find a mentor.”

Female, East Midlands

“It’s probably an unreasonable expectation but I almost feel like there should be some sort of template to follow, at least to get the basics off the ground.”

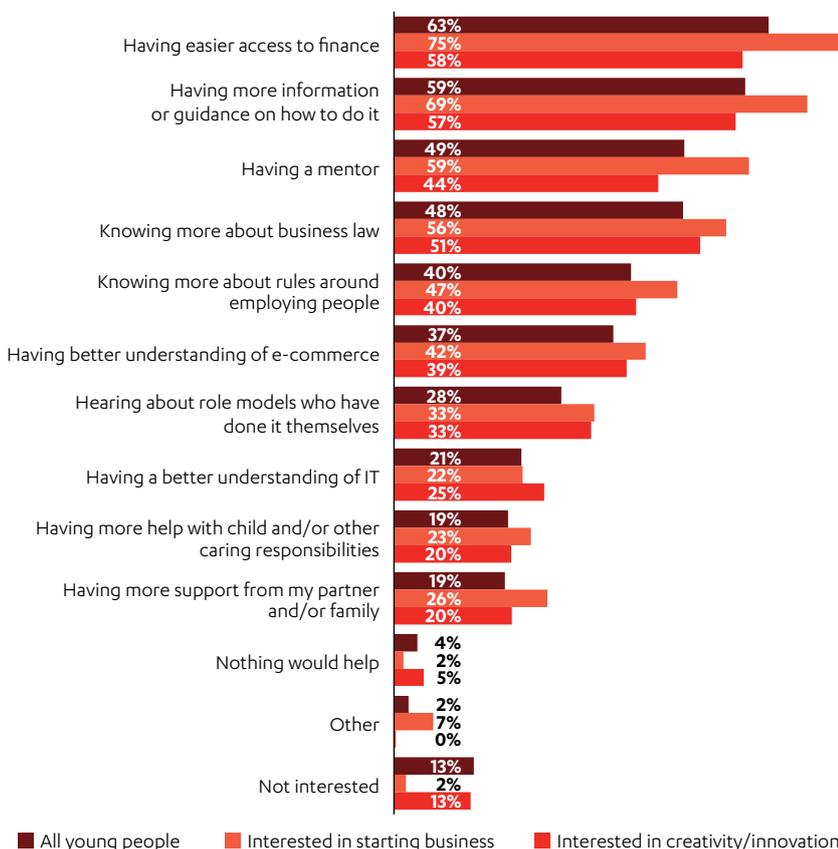
Male, South West

Young women are more likely to think having more help with child and/or other caring responsibilities might help them to start a business (29%, 9% men). This is also the case for 26 to 30 year olds (25%, 14% 18 to 25 year olds) and those who are unemployed or not working (21%, 11% working). Those aged 18 to 25 years old are more likely to think knowing more about rules around employing people might help them (45%, 34% 26 to 30 year olds).

“Sometimes I think of things I use that could be simpler, but usually I end up Googling my own ideas for solutions and finding they’ve already been done by someone else.”

Male, South East

Figure 17: Things that young people think might help them to start a business



Three quarters of those interested in starting a business think having easier access to finance might help them to start

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

## Experience and ideas

Two in five (39%) young people have had an idea for a new product or service that they think could be used to start a business. This does not change by gender, age or working status.

Across the focus groups many young people have ideas on how to improve products or services that already exist. However, visiting an internet search engine and seeing that a similar idea has already been implemented can be demotivating and enough to put a stop to any subsequent action (especially among males).

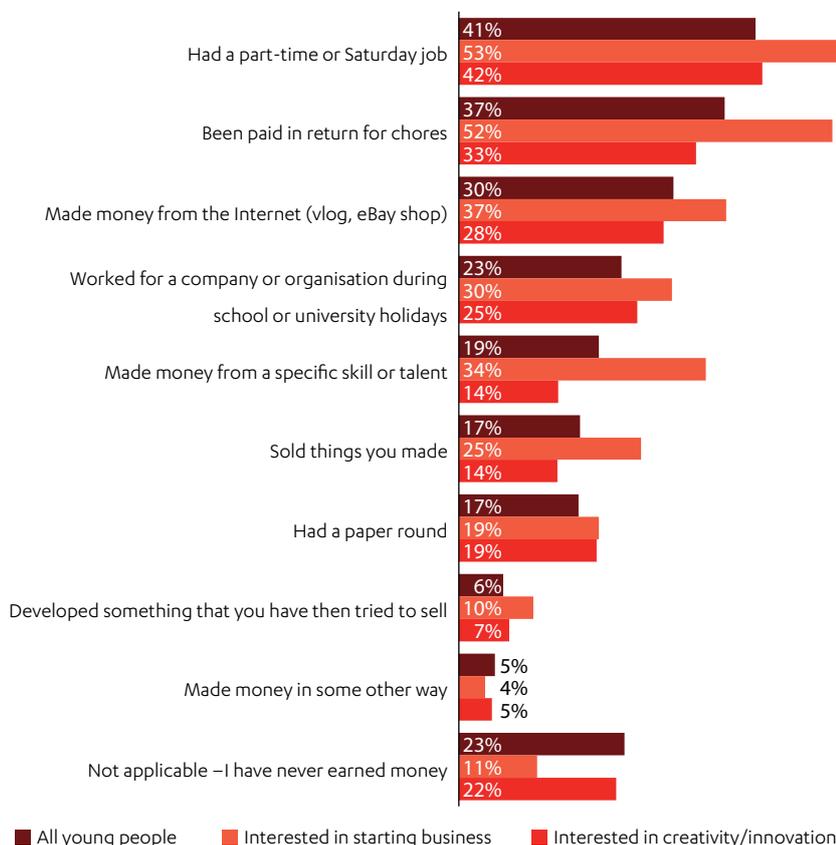
Not having enough experience, or more importantly not having enough confidence in their own experience, is a barrier to pursuing ideas, even after initial steps have been taken. Family, friends and employers therefore perhaps have an important role in nurturing a supportive culture that encourages young people to take their ideas further.

“I have made business cards and am currently doing a makeup course but I’m finding it difficult to advertise myself as I don’t have a lot of confidence in my abilities.”

**Female, South East**

Young people who have had an idea for a new product or service that they think could be used to start a business are more likely to be open to learning new skills and look for ways to develop themselves for the future. They are more likely to say their career has been influenced by, or they are striving to be like, a politician (14%, 6% haven’t had an idea), a colleague or manager (12%, 5% haven’t had an idea) or someone else (7%, 3% haven’t had an idea). Young people who have had an idea for a new product or service that they think could be used to start a business are more likely to have learned something new outside of formal education for fun or enjoyment (70%, 60% haven’t had an idea) and more likely to have volunteered for organisations online (27%, 16% haven’t had an idea). One in five (19%) young people have made money from a specific skill or

Figure 18: Ways of earning money, other than a regular job



**Over half** those interested in starting a business had a **part-time** or **Saturday job**

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

talent they possess, this increases to one in three (34%) for those interested in starting a business. Young men are more likely to have made money from a specific skill or talent (24%, 15% women). One in five (17%) young people have earned money by selling things they made, increasing to one in four (25%) for those interested in starting a business. Young women are more likely to have sold things they made (21%, 12% men). Those interested in starting a business are more likely to have had a part-time or Saturday job (53%, 41% all young people) and been paid in return for chores (52%, 37% all young people).

Across the focus groups there were a small number of participants who were making, or planning to make, an income from freelancing. Most often, these ambitions were linked to creative pursuits including film, photography and illustration. However, one or two were also open to monetising an everyday skill like driving.

“We were wasting a lot of paper from printing so I have collaborated with different departments to reuse the paper and make books and other projects from the off-cuts... at first, because I was new to the job I felt uncomfortable addressing issues that didn't work, however, I am really lucky because my boss encourages this as he believes we should always be improving ourselves.”

**Female, London**

“I am interested in photography and illustration. I try to do as much drawing as possible during my free time... I am hoping to be earning an income (big or small) from my illustrations by the end of the year... I would love to work for myself producing work that is personal to me and others enjoy.”

**Female, London**

# Learning



# 8 Learning

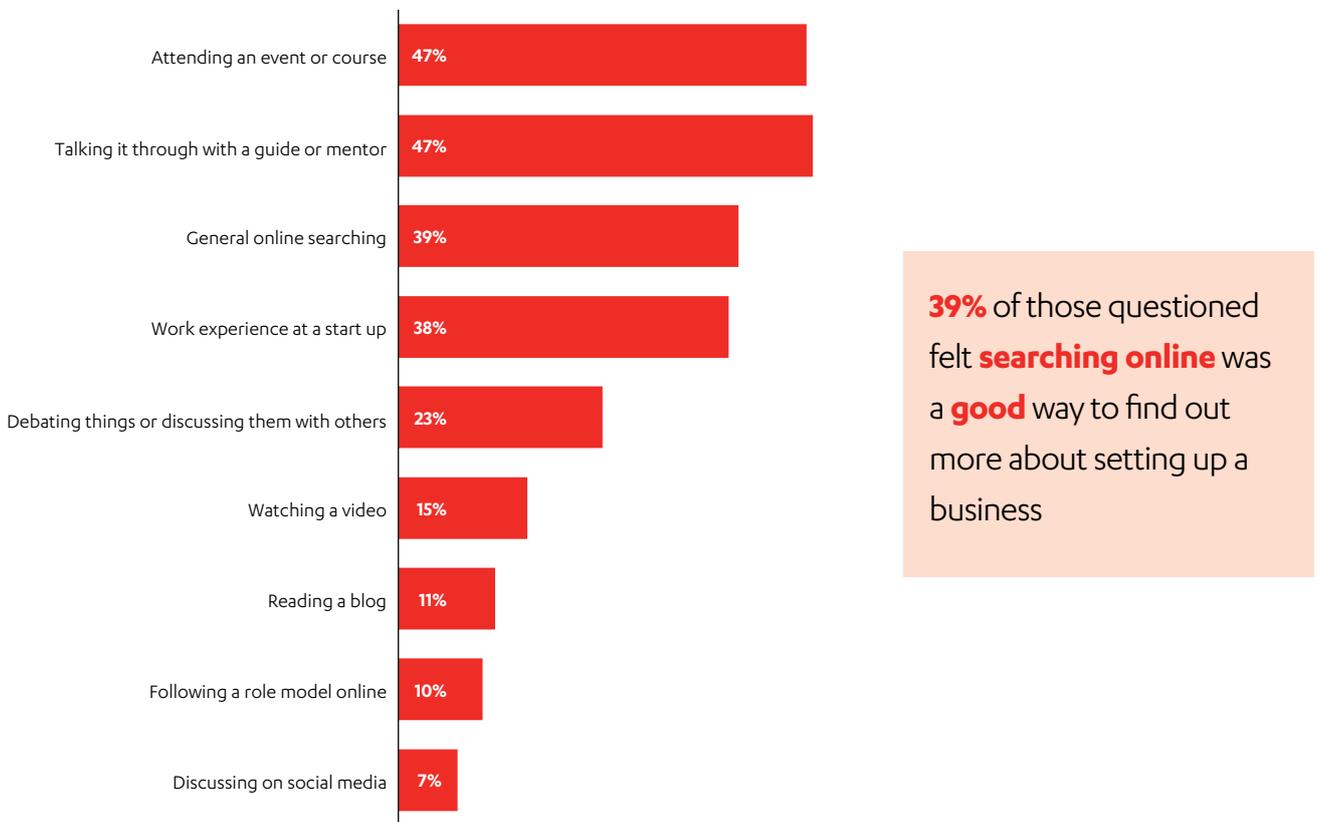
## How to find out more

There is a significant appetite for more formal learning among those young people who are interested in starting a business and have had a relevant idea. The most popular methods of finding out more about setting up a business would be attending an event or course, and talking it through with a guide or mentor (both 47%). Two-fifths think that more informal online searching (39%) or work experience at a start-up (38%) would be useful.

## Resources used to learn something new and why

YouTube or other video sites are most popular among young people for learning something new outside school, college or university, with six in ten (64%) of all young people using them, and increasing to eight in ten (79%) for those interested in starting a business. Wikipedia is used by half (49%) of all young people. Young people interested in starting a business are also more likely to use a guide or instruction book (55%, 43% all young people), an online course (45%, 34% all young people), a public library (44%, 34% all young people), and an academic website (41%, 31% all young people). Message boards or chat rooms, podcasts and offline courses are the least popular resources used among young people, but those interested in starting a business are still more likely to use them to learn something new. Young people interested in creativity or innovation are more likely to use social media (46%, 40% all young people) and a public library (39%, 34% all young people)

Figure 19: Good ways of finding out more about setting up a business (up to three chosen)



Base: Those interested in starting a business (235)

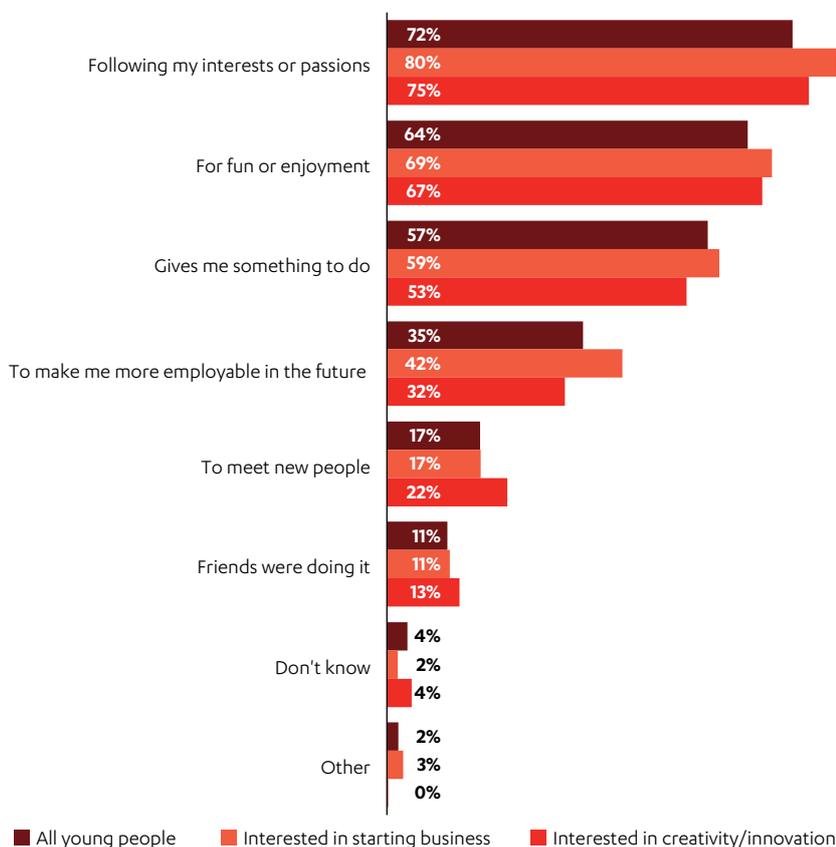
to learn something new, but less likely to use an online course (29%, 34% all young people).

Young men are more likely to use Wikipedia (57%, 42% women), a message board or chat room (30%, 21% women), podcasts (28%, 14% women) and an offline course (22%, 15% women) to learn something new outside of school, college or university. Whereas young women are more likely to use a public library (39%, 28% men).

Those aged 18 to 25 years old are more likely to use YouTube or other video sites (68%, 60% 26 to 30 year olds), Wikipedia (56%, 42% 26 to 30 year olds), social media (46%, 35% 26 to 30 year olds), an academic website (37%, 25% 26 to 30 year olds) and podcasts (25%, 17% 26 to 30 year olds) to learn something new outside of school, college or university.

Seven in ten (72%) young people say they learned something new outside school, college or university through following their interests or passions, increasing to eight in ten (80%) for those interested in starting a business. The majority of young people say their reasons are related to following their interests, giving them something to do, or for enjoyment. Only one in three (35%) young people say it is to make them more employable in the future. However, this increases to two in five (42%) for those interested in starting a business. Wanting to meet new people, and doing it because friends were, are the least popular reasons for young people to learn something new outside of school, college or university.

Figure 20: Reasons for learning something new outside school, college or university

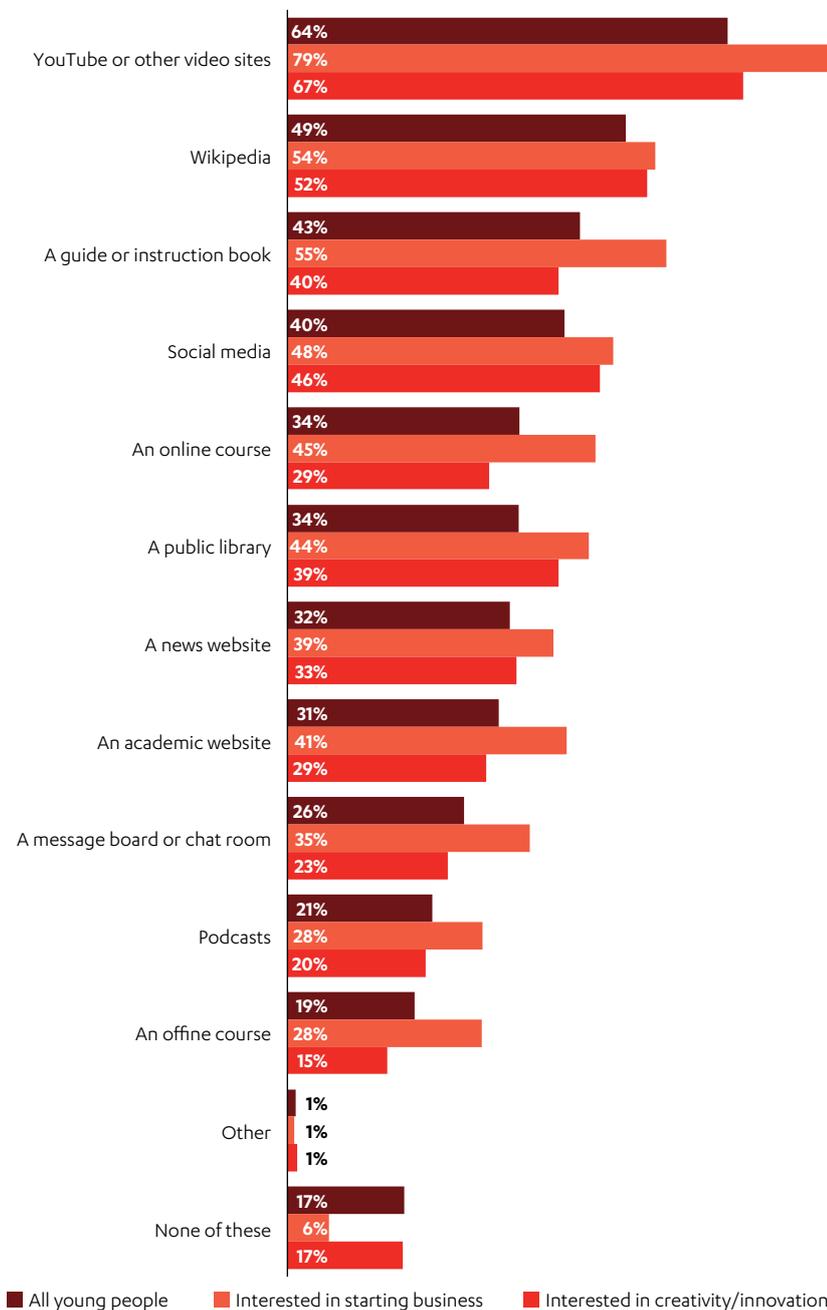


72% of young people say they **learned** something **new** outside education through **following** their **interests** or passions

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Young men are more likely to learn something new outside school, college or university because friends were doing it (14%, 8% women). Those aged 18 to 25 years old are more likely to learn something new because it gives them something to do (62%, 52% 26 to 30 year olds).

Figure 21: Resources used to learn something new outside school, college or university



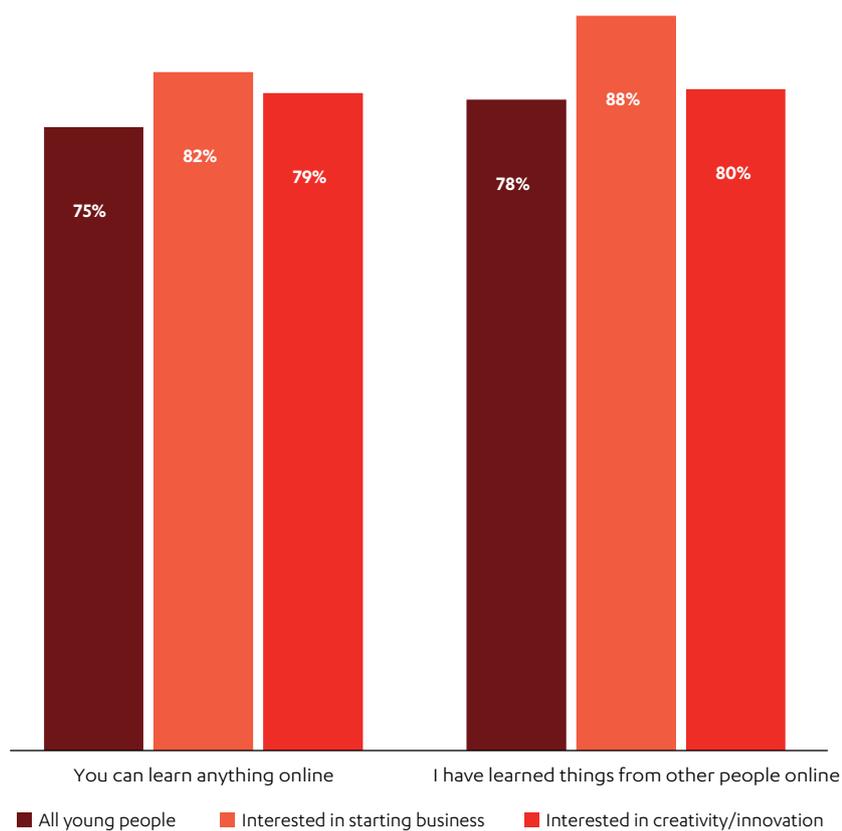
**YouTube** or other video sites are **most popular** among young people **for learning** something new outside education with **64%** of all young people using them

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)

Eight in ten (78%) young people agree they have learned things from other people online, increasing to nine in ten (88%) for those interested in starting a business. Three in four (75%) young people agree you can learn anything online, increasing to four in five for those interested in starting a business (82%) and those interested in creativity or innovation (79%).

Young people who are unemployed or not working are more likely to agree that you can learn anything online (78%, 64% working).

Figure 22: Opinions about learning online (% strongly or tend to agree)



**Eight in ten** (78%) young people agree they have **learned** things from other people **online**

Base: All young people (747), Interested in starting a business (235), Interested in creativity/innovation (195)





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