

# THE START-UP GENERATION

**WHY THE UK COULD  
BE SET FOR A YOUTH  
BUSINESS BOOM**



**A report by The Prince's Trust and The Royal Bank of Scotland Group**



**RBS Group**

**INSPIRING  
ENTERPRISE**



**Prince's Trust**

# FOREWORD



**AT THE PRINCE'S TRUST, WE ARE CELEBRATING 30 YEARS OF HELPING UNEMPLOYED YOUNG PEOPLE TO SET UP IN BUSINESS.**

In our experience, self-employment can offer a viable alternative for young people who are struggling to find work, especially those who are from a disadvantaged background. To achieve success we must ensure that these young entrepreneurs get the support they need to put their business plans into action.

Five years since the start of the recession, youth unemployment remains high, and many young people are seeing self-employment as a chance to break the cycle of joblessness.

The UK has already seen an increase in the number of self-employed young people since the start of the economic crisis, and our research suggests that this figure is set to rise even further, as young people seek alternative ways to succeed in a tough jobs market.

Today's research also reveals how technology is making life easier for the next generation of entrepreneurs. Thanks to the internet, it is now possible for young people to set up businesses with minimal start-up costs.

However, setting up in business is not an easy option and most young people need support to make the transition from unemployed to entrepreneur.

During the last 30 years, The Prince's Trust Enterprise programme has provided the practical advice, mentoring support and access to start-up funding that unemployed young people need to succeed in business.

We would like to thank RBS for sponsoring this research and for continuing to support our Enterprise programme. Without them, we simply would not be able to help so many thousands of young people to beat unemployment and fulfil their dreams of becoming their own boss.

A handwritten signature in black ink that reads "Martina Milburn".

**Martina Milburn CBE**  
Chief Executive  
The Prince's Trust



## PROFESSOR MICHAEL HAY

Professor of Management Practice in Strategy  
and Entrepreneurship at London Business School

“Traditionally Britain has lagged behind other countries in terms of the number of young entrepreneurs, but today’s report suggests that young people’s attitudes to self-employment are changing.

“It is important that the next generation of young entrepreneurs get the support they need from organisations like The Prince’s Trust. In the current climate, helping young people to beat unemployment and set up businesses that employ other people can only be a good thing for the UK economy.”



**RBS HAS, FOR OVER A DECADE, ACTIVELY SUPPORTED EFFORTS TARGETED TOWARDS YOUNG, UNEMPLOYED PEOPLE WITH A COMMERCIAL IDEA, AND THE DRIVE AND AMBITION TO START-UP THEIR OWN BUSINESS. IT IS OF PARTICULAR IMPORTANCE IN THESE TOUGH ECONOMIC TIMES TO PROVIDE SUPPORT FOR SOME OF THE MOST DISADVANTAGED YOUNG PEOPLE IN THE COUNTRY. THROUGH OUR ONGOING PARTNERSHIP WITH THE PRINCE’S TRUST WE’VE SEEN FIRST-HAND THE LIFE-CHANGING RESULTS.**

– CHRIS SULLIVAN  
CHIEF EXECUTIVE  
CORPORATE BANKING DIVISION, RBS

## EXECUTIVE SUMMARY

This report suggests that Britain could be set for a rise in the number of young entrepreneurs

While only five per cent of young people are currently self-employed\*, our research shows that one in four (25 per cent) expect to be self-employed within the next five years.

\* According to the Labour Force Survey from the Office for National Statistics (ONS), 5.3 per cent of young people aged 16 to 34 were self-employed in April to June 2012.

### Key findings

- Thirty per cent of young people believe they will be self-employed in the future
- One in four (25 per cent) expect to be their own boss within the next five years
- Almost a quarter of unemployed young people (24 per cent) would rather try to set up their own business than continue to job-seek in today’s competitive market

### Technology and young entrepreneurs

- More than one in five young people in Britain (26 per cent) claim they could set up a viable online business from their bedroom within the next six months
- Forty-five per cent of young people predict that developments such as cloud computing, robotics and 3D printing will lead to more entrepreneurs in years to come

### Barriers to setting up in business

- More than half of young people (59 per cent) say that not having enough money would prevent them from setting up in business
- A third of all young people (33 per cent) claim that having a mentor would make them more likely to consider self-employment.

## ABOUT THE RESEARCH

A sample of 1,627 16 to 30 year-olds took part in an online poll conducted by YouGov on behalf of The Prince’s Trust in April to May 2013. Of the sample, 271 were not in education, employment or training (NEET) and 278 young people were self-employed.

# UK SET FOR YOUTH BUSINESS BOOM



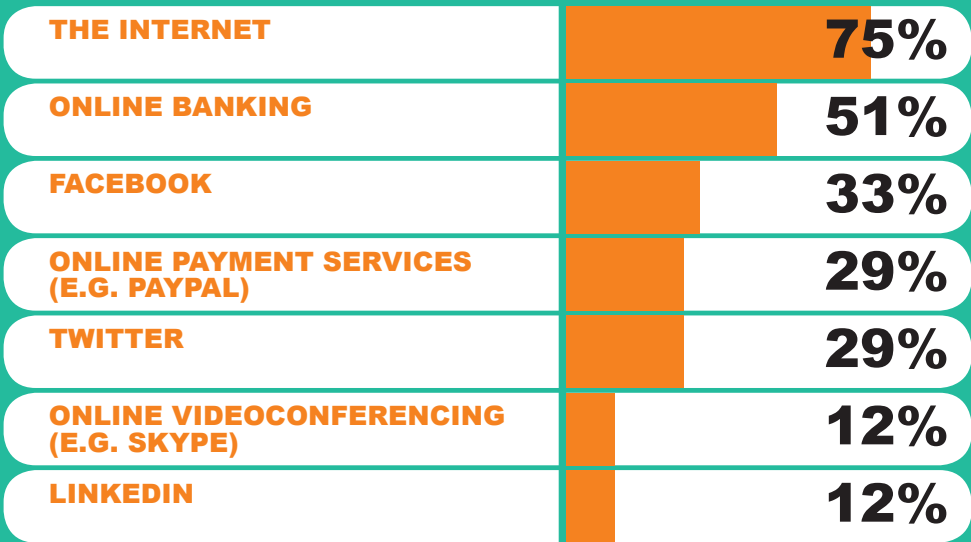
# A GENERATION OF INTERNET ENTREPRENEURS

Figure 1 shows how young people are taking advantage of technology to run their own businesses.

More than three quarters of young people (76 per cent) say they use the internet in the running of their business, with more than half (52 per cent) claiming their business would collapse without it.

One in five young people (23 per cent) believe they could set up a viable online business from their bedroom within the next six months.

Figure 1:  
Which, if any, of the following do you use in the running of your business?



# BARRIERS TO SETTING UP IN BUSINESS

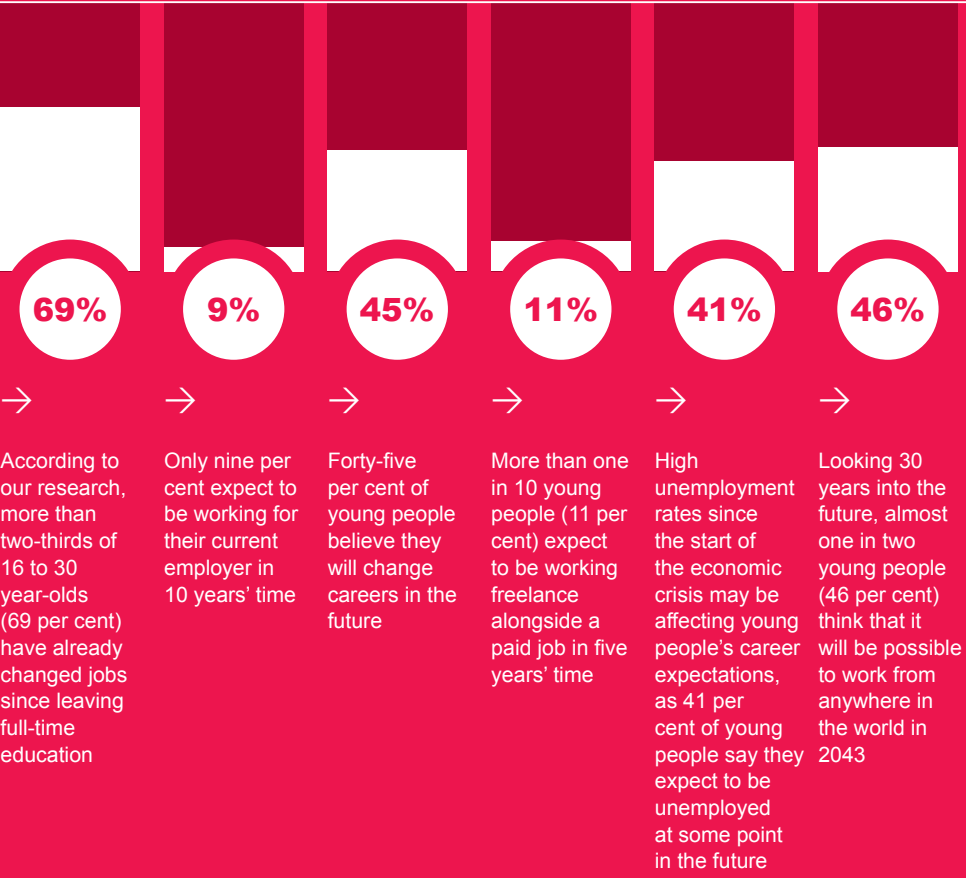
Although one in three young people (33 per cent) dreams of setting up in business, many are being held back due to worries about funding or not having enough support. The Prince's Trust Enterprise programme helps young people to overcome these barriers and fulfil their ambitions of becoming self-employed.

Figure 2:  
Which, if any, of the following barriers would prevent you from starting a business?



# THE FUTURE OF WORK

Today's young people are entering a world of work that has changed dramatically since their parents' generation took their first steps on the career ladder. While few young people can expect to find a 'job for life', young workers now have greater opportunities to work from home, become self-employed or make several career changes.



## NATHAN LITTLE

Nathan's Little Shop

**Growing up on a council estate, Nathan was timid and shy and didn't always find life easy. He struggled at school and left to complete his education at home.**

With his father not around and his mother struggling with mobility issues and multiple injuries following a car accident, Nathan also took responsibility for supporting her and his two younger siblings. He took on his first job at 15.

After building a career as a recruitment consultant, Nathan found himself the subject of workplace bullying, resulting in him becoming unemployed for the first time. The stress had a huge impact on his self-esteem and he found himself getting into debt.

It was over Christmas 2011, whilst Nathan was claiming benefits, that he realised a long-time hobby of his might be the answer.

Nathan enrolled in the Enterprise programme, setting up 'Nathan's Little Shop', which restores antiques and collectables. Along with a mentor to support him through the set-up process, he received a £1,000 grant which enabled him to buy a computer, a desk and the initial stock.



**THE ENTERPRISE PROGRAMME WAS FANTASTIC AND MY MENTOR IS AMAZING. NOT ONLY DID THE COURSE HELP ME SET UP MY BUSINESS AND GIVE ME GOOD ADVICE, BUT IT'S ALSO HELPED ME MAKE NEW FRIENDS. IT'S HARD WORK BUT IT'S THE BEST JOB I'VE EVER HAD.**

## THE ROYAL BANK OF SCOTLAND GROUP



RBS Group  
**INSPIRING  
ENTERPRISE**

RBS is a Prince's Trust Platinum Patron and the largest corporate supporter of The Prince's Trust Enterprise programme.

RBS has worked closely with The Trust for over a decade. This multi-award-winning partnership is part of RBS Inspiring Enterprise and has reached more than 11,000 disadvantaged young people, helping them to explore enterprise and achieve their goals. The partnership forms part of the bank's commitment of help 100,000 young people across the UK explore enterprise, develop their skills and start up in business before the end of 2015.

The RBS Group is encouraging a more entrepreneurial culture. From the classroom to the boardroom, it aims to inspire and enable enterprise at every stage of the journey. RBS knows that people need help to explore the idea of enterprise, unlock their potential and gain the right skills, knowledge and networks to achieve their ambitions.

[rbs.com/inspiringenterprise](http://rbs.com/inspiringenterprise)

### 30 YEARS OF THE PRINCE'S TRUST ENTERPRISE PROGRAMME

The Prince's Trust has helped more than 80,000 young people to set up in business since 1983.

Our Enterprise programme provides practical advice and mentoring support to unemployed young people aged 18 to 30 who are interested in self-employment.

**30  
YEARS**

The Prince's Trust  
Enterprise programme

2013

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**I'VE NOT JUST TURNED  
A PROFIT. I'VE TURNED  
MY WHOLE LIFE AROUND.**

**– NATHAN LITTLE**

Find out more about The Prince's Trust:  
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