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
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.

Martina Milburn CBE
Chief Executive
The Prince’s Trust
EXECUTIVE SUMMARY
This report suggest 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.

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

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.

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

* 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.

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.
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.
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.

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.

According to our research, more than two-thirds of 16 to 30 year-olds (69 per cent) have already changed jobs since leaving full-time education. Only nine per cent expect to be working for their current employer in 10 years’ time. Forty-five per cent of young people believe they will change careers in the future. More than one in 10 young people (11 per cent) expect to be working freelance alongside a paid job in five years’ time. High unemployment rates since the start of the economic crisis may be affecting young people’s career expectations, as 41 per cent of young people say they expect to be unemployed at some point in the future. Looking 30 years into the future, almost one in two young people (46 per cent) think that it will be possible to work from anywhere in the world in 2043.
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

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.

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.”
I’VE NOT JUST TURNED A PROFIT. I’VE TURNED MY WHOLE LIFE AROUND.

– NATHAN LITTLE