

## **Future Entrepreneurial Britain: A third of young professionals want to start a business but are stopped by lack of finance, business skills and contacts**

*New Entrepreneurs Foundation releases new research on youth entrepreneurship to mark 5th anniversary, and opens trading day at London Stock Exchange*

- A third of young adults have thought about starting a business. However, almost two thirds (65%) of those say lack of finance is stopping them as well as lack of business knowledge (46%) and contacts (39%) (*YouGov/NEF*)
- Millennials are taking steps to acquire these missing skills and contacts - making use of apprenticeships, universities and accelerators (*YouGov/NEF*)
- University College London report finds that the New Entrepreneurs Foundation is making significant strides in helping young people overcome these barriers
- New Entrepreneurs Foundation celebrates 5th anniversary with the release of new research, opening trading day at London Stock Exchange

*27 October 2016:* Almost one third of 18-24 year olds have started or are considering starting a business and are three times as likely to write a business plan than any other age group, new research revealed today. However, the detailed study by the [New Entrepreneurs Foundation](#), also found that 50% of these young individuals are stumbling to get their entrepreneurial dreams off the ground due to poor access to finance, a lack of business skills and the right contacts.

The new study was commissioned by the charity, New Entrepreneurs Foundation (NEF), to mark its fifth year of helping young, ambitious entrepreneurs in the UK. Alongside this new research, the foundation will also be opening today's trading at London Stock Exchange. .

### **A resourceful, optimistic and entrepreneurial generation**

While the study recognises the barriers holding some would-be entrepreneurs back, the NEF study also found that those aged between 18-24 years who have thought about or started their own business are resourceful in finding new ways to acquire missing attributes. Young founders are four times more likely than all UK adults to have done an apprenticeship as a way to help start setting up their own business (16% vs 4%) and have used joining University business societies (12%), getting advice from family (25%) and using accelerators/incubators (6%) as alternative ways to help them progress.

And when it comes to their hopes and aspirations, the study found that the next generation of business leaders are optimistic about the changes they can make to the world. A fifth (21%) of young UK adults see themselves running global organisations that significantly

changes the world but they are also wary of the risks involved in doing so. The study showed 85% of young UK adults understand that entrepreneurship is a career gamble, but, over four-fifths (82%) say that they can make a lot of money as an entrepreneur.

Neeta Patel, CEO of the New Entrepreneurs Foundation, said, “Even in the turbulent times we live in, it is good to see that young people are enthusiastic about creating a business. However it is clear to see that they are stumbling before they can even get a chance to begin. While 30% of young adults are writing business plans and almost 10% suggest they will start a business in the year ahead, it is the lack of access to finance, business skills and networks that is holding them back.”

“This is why we at the NEF, our network of alumni and mentors and the array of fast-growth businesses providing work experience for our cohorts continue to offer skills learning, mentorship and network building. We must give these young people the very best chance to succeed by helping them jump over these hurdles.”

### **UCL finds NEF is making ‘an extraordinary impact’**

As young professionals look for direction to how to proceed beyond just a business idea, programmes like the NEF helps such individuals grow into the entrepreneurs they aspire to be. An independent impact report completed by researchers at the School of Management at University College London (UCL) this summer found the NEF programme is ‘having an extraordinary impact on the young people participating in it and their ability, opportunity and will to start a new business’.

The Foundation’s objective is to provide bright young-aspiring entrepreneurs with hands-on work experience together with a formal learning and development programme in entrepreneurial start-up skills, personal coaching, business mentoring and access to business networks. The UCL impact report found that it is achieving these goals.

The study found that the NEF was succeeding in new business creation, the encouragement of entrepreneurship, enhancing innovation and developing expertise. Almost 50% of those in the programme over the last three years had ‘live’ businesses by the end of their time with NEF and, furthermore, of those not already running a business, 80% stated they were more likely to do so as a result of the programme.

Umerah Akram, Head of ELITE UK, London Stock Exchange Group said: “The New Entrepreneurs Foundation must be celebrated for its commitment to supporting the UK’s young and dynamic entrepreneurs. NEF is providing them with the knowledge, skills and confidence to help them create the next generation of high-growth, sustainable companies. And ELITE, LSEG’s innovative business support programme, is the natural next step to support them in their growth ambitions.”

**- ENDS -**

## Notes to Editor

For further information on any of the points raised in the release, please contact **Laura Moross** (on behalf of the New Entrepreneurs Foundation) at [laura@ismpr.co.uk](mailto:laura@ismpr.co.uk) or +44 (0)7969673895

### About New Entrepreneurs Foundation

The New Entrepreneurs Foundation (NEF) is one of the UK's leading programmes for developing future entrepreneurial leaders. Since its launch in 2011, the NEF has helped more than 200 young entrepreneurs launch 100 ventures (63 are currently live), which have created more than 650 new jobs for the UK economy and raised almost £11 million in early stage funding.

The NEF provides smart young people with the training, mentorship, confidence and connections required to become a successful entrepreneurs. The organisation selects up to 50 candidates each year and looks for those with the ambitions to build high-growth, sustainable businesses that will contribute positively to the UK economy.

## 2. Summary of NEF/YouGov study findings

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2171 adults of which 230 were adults aged 18 to 24. Fieldwork was undertaken between 17th - 18th October 2016. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

The findings were as follows:

- A third (30%) of UK adults aged 18-34 have considered starting a business
- 61% of the same group who have started or considered starting a business state that a lack of finance or capital is the biggest block to progressing their business aspirations. This was followed by a lack of business knowledge (40%) lack of time (32%), and, finally, lack of the right contacts (28%).
- Over one in 7 (17%) UK adults who have started or thought about starting their own business have written a business plan in order to help them start their own business.
- 18-24 year olds three times more likely to write a business plan than the UK average.
- The power of the family network is still recognised as one of the strongest routes to getting a young person's business off the ground, with almost a quarter of respondents listing family advice as one of the top ways to get ahead.
- 16% of those aged 18-24 who have started or are thinking of starting their own business said they have done an apprenticeship or work placement in order to get started, compared with the UK average of just 4%.
- A fifth (21%) of UK adults aged 18-24 can see themselves running a global organisation that changes the world"
- Almost 1 in 10 (9%) of those aged 18-34 year are likely to start their own business in the year ahead
- 82% of all respondents think being an entrepreneur is hard work and 81% think that if you have the right idea or product you can change the world.
- 85% of all UK adults understand that entrepreneurship is a gamble with their career but 83% say that you can make a lot of money.

## 3. Summary of UCL Impact Report

A copy of the complete New Entrepreneurs Foundation UCL Impact Report can be sent on request.