

# National Youth Entrepreneur Social Attitude and Innovation Study

January 2008



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## EXECUTIVE SUMMARY

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This report presents the findings of *The National Youth Entrepreneur Social Attitude and Innovation Study* which examined attitudes toward entrepreneurship among young job seekers, employment service providers and young entrepreneurs in Ontario and British Columbia.

The following key findings emerged from this study:

1. Many young job-seekers have positive attitudes towards entrepreneurship, but relatively few indicated a preference to start their own business instead of working for an established employer. The study also suggests that young people perceive there to be significant financial and other barriers to starting their own business.
2. Relatively few young people learn about entrepreneurship at an early age (i.e., at high school). There is clearly an opportunity to more proactively inform youth about entrepreneurship as a potential career option.
3. There appears to be a high level of demand for entrepreneurship programs that are offered by local employment centres, especially those that offer opportunities to learn directly from established entrepreneurs.

A successful and creative Canadian economy needs entrepreneurs. If young people do not consider starting their own business to be a viable option—due to lack of interest, lack of knowledge, or perceived barriers—this may result in less people working as entrepreneurs careers in the future. The study findings have implications for educators, career counsellors, program managers and policy makers who wish to promote entrepreneurship as a viable career option for young people.

The findings point to the following opportunities for action:

- ★ **Promote:** Work with a variety of media to improve the promotion and visibility of programs and resources to assist young people interested in pursuing entrepreneurship.
- ★ **Engage:** Work with a variety of stakeholders to promote entrepreneurship among youth. This should include community forums so young people can learn about entrepreneurship and connect with resources and potential mentors.
- ★ **Educate:** Develop and provide high school course content about entrepreneurship.
- ★ **Develop Financial Solutions:** Work with youth to develop solutions to the financial barriers involved in starting a business.
- ★ **Provide Start-up Funding:** Create additional financial support—through low-interest loans and targeted grants—to young entrepreneurs wishing to establish their own businesses.
- ★ **Develop Resources:** Develop resources to share best practices and support youth entrepreneurship, including success stories and an online-database.
- ★ **Provide Mentorship:** Expand the use of formal mentorship programs that link interested youth with successful entrepreneurs and self-employed adults.
- ★ **Improve Training and Development:** Enhance formal training and professional development opportunities for youth employment counselors.
- ★ **Plan and Develop Effective Programs:** Develop and share best practices and innovations regarding youth entrepreneurship programs. Ensure that adequate and sustained funding is provided to agencies in order to effectively deliver these programs.

# I. INTRODUCTION

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The goal of *The National Youth Entrepreneur Social Attitude and Innovation Study* is to inform counsellors, program managers and policy makers about current youth attitudes toward entrepreneurship as well as to provide suggestions for encouraging entrepreneurship among youth.

This study examines what appears to be a reduction in interest in entrepreneurial careers by young people aged 18-34, in favour of careers with large employers and relative to earlier studies of similar entrepreneurial attitudes among youth. For example, one recent study of post secondary students revealed that only 6% were interested in starting their own business, while more than 60% were interested in working for large or medium sized organizations.<sup>1</sup>

A successful and creative Canadian economy needs entrepreneurs. If young people are losing interest in entrepreneurship, this trend does not bode well for the future. It is therefore essential to understand young people's attitudes to entrepreneurship and to identify ways to proactively address this important issue.

Hire Prospects, the youth survey outreach service of the Ontario Association of Youth Employment Agencies, completed this study in partnership with DECODE, a research, strategy and innovation firm which develops insights on and programs for youth. The study was funded by the Canadian Education and Research Institute for Counselling (CERIC).

## Purpose

*The National Youth Entrepreneur Social Attitude and Innovation Study* explored the perspectives of youth seeking employment and employment counsellors towards entrepreneurship as a career option. Its findings will inform counsellors, program managers and policy makers about current attitudes among youth and service providers in Ontario and British Columbia. This report also provides several recommendations for encouraging entrepreneurship among youth.

## Methods

The project utilized three data collection methods:

### 1. Survey

A confidential online youth entrepreneurship attitude survey was conducted in Ontario and British Columbia. The survey link was sent to approximately 70 agencies that deliver youth entrepreneur programs. These centres were encouraged to distribute the survey to unemployed youth interested in starting a business. A total of 361 individuals completed the survey between May 23 and September 8, 2007.

### 2. Innovation forums/focus groups

The Ontario innovation forum *Youth Entrepreneurship...Attitudes!* took place on July 25th, 2007 at *Metro Hall* in Toronto, Ontario. This highly successful forum was attended by over 60 delegates participating from across Ontario. The youth who attended were either independent entrepreneurs currently running and building their businesses, or youth who were enrolled in entrepreneurship

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<sup>1</sup> "Learning to Work: Canada's Campus Recruitment Report" (2007). Conducted by Decode, Brainstorm Consulting and Universum.

programs offered by youth employment centres. There were also a number of service providers who attended the forum to share their knowledge on the successes of the programs they deliver in their respective centres<sup>2</sup>.

In addition, three focus groups were held in British Columbia at a variety of venues and attended by a diverse range of individuals:

- The first forum was held with the *Garnish Girls Company*. The *Garnish Girls* was a successful company run by three young women. *Garnish Girls* were recipients of the Canadian Youth Business Foundation awards in 2006.
- The second forum was held at the *Reach Community Health Centre* with a group of aspiring young entrepreneurs who immigrated to Canada from Africa within the last five to ten years. The majority of participants had parents and relatives who were involved in entrepreneurial careers.
- The third forum was hosted by the *Pacific Community Resource Centres* in Surrey and was attended by a mixed group of participants. Some had already started their businesses and others were in the process of deciding what type of career they would like to pursue.

### **3. Key informant interviews**

Ten key informant interviews were held with staff members of organizations that deliver entrepreneurship programs or support youth entrepreneurship.

## **Role of the Advisory Committee**

An advisory committee was created, consisting of practitioners who agreed to guide the project as well as to deepen the project's impact and ensure it would extend into the future. Meetings were organized to engage stakeholders in the issue, introduce the project, consider how the project could impact youth and employment support programs and identify strategies to expand research across Canada. These meetings also provided an opportunity for stakeholders to discuss their current interest and involvement in youth entrepreneurship, research application and possibilities for future funding.

## **Limitations of the Research**

### **Sampling**

It is important to note that research participants were not chosen randomly. Survey respondents self-selected their participation and many were recruited to complete the survey through OAYEC's community partners (primarily youth employment agencies). As a result, the majority of the survey respondents are presumably clients of these agencies. Their opinions are therefore not expected to be representative of all youth in Ontario and B.C.

In addition, most of the participants in the focus groups and interviews were purposively selected due to their knowledge of, experience with, or interest in entrepreneurship. As a result, the findings of this project may be biased positively towards entrepreneurship as a career option, as compared to a truly random sample.

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<sup>2</sup> A short film of the Ontario forum was created by Regent Park Focus. The film documents the experiences of young entrepreneurs as they build their businesses. It also presents recommendations for young people who want to start a business and for government programs who wish to be more inclusive of young entrepreneurial needs.

## **A Note about Terminology**

Different participants assign different meanings to the term *entrepreneur*. Some regard an entrepreneur as someone who is self-employed, while others assign more specific meanings to entrepreneurship, e.g., an innovator, one who pursues one's passion or manages others. Clearly there is significant overlap between these interpretations. In order to simplify the analysis, comments about entrepreneurs and those who are self-employed/run their own business were combined.

The terms *youth* and *young people* refer broadly to teenagers and young adults under 30 years old.

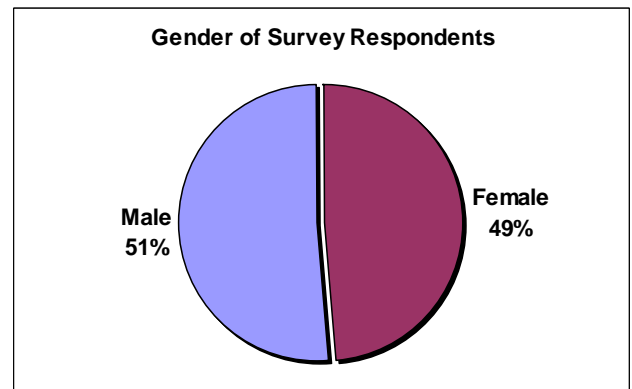
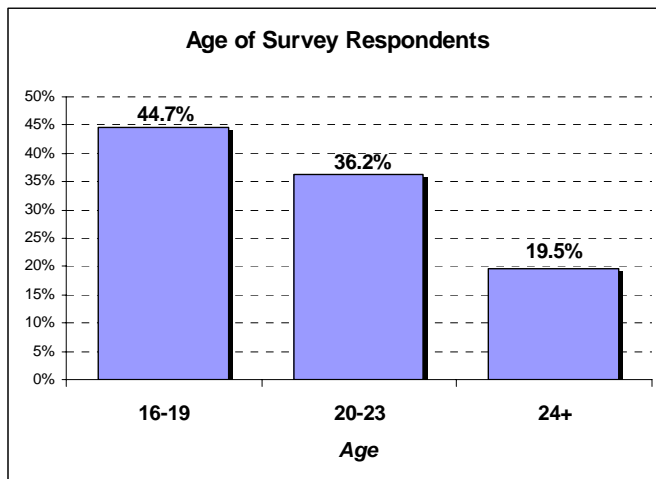
## II. YOUTH SURVEY

This section presents the key findings from a survey of young job-seekers, regarding their attitudes towards entrepreneurial careers and related topics.

### Information about Respondents

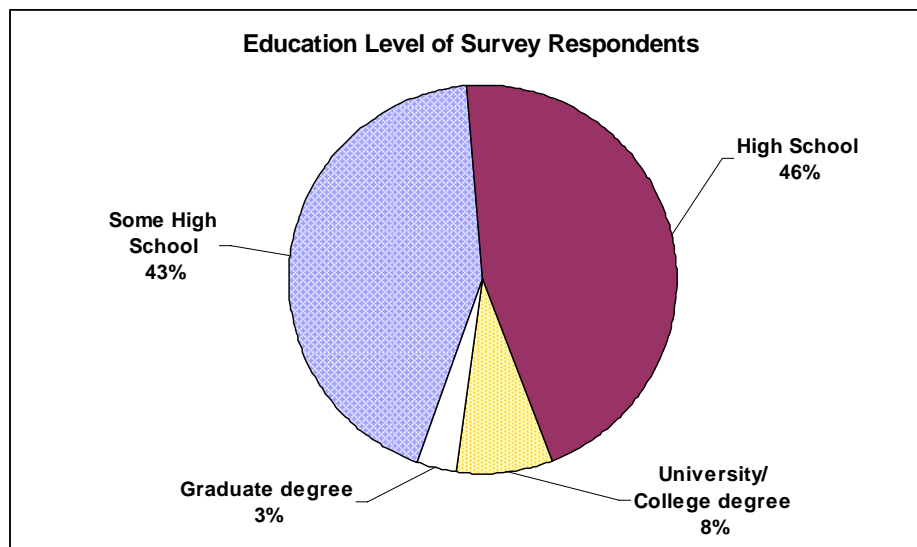
#### Age and Gender

The majority of respondents (44.7%) were in their late teens. There was an almost equal representation of male and female respondents.



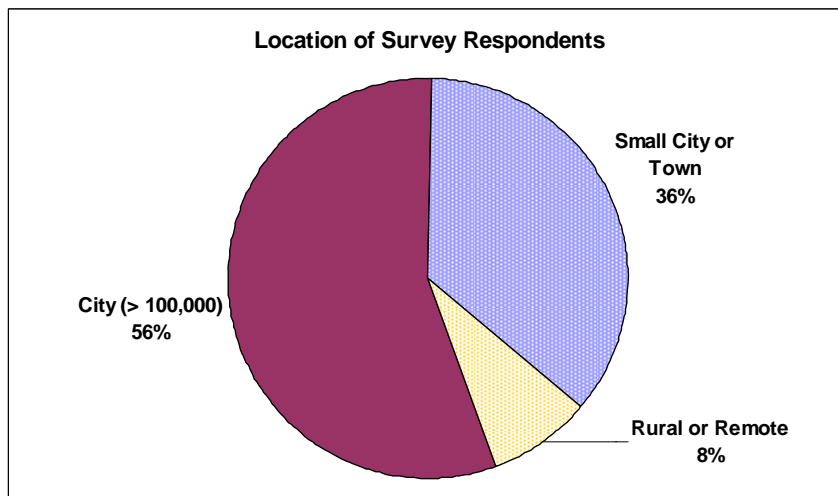
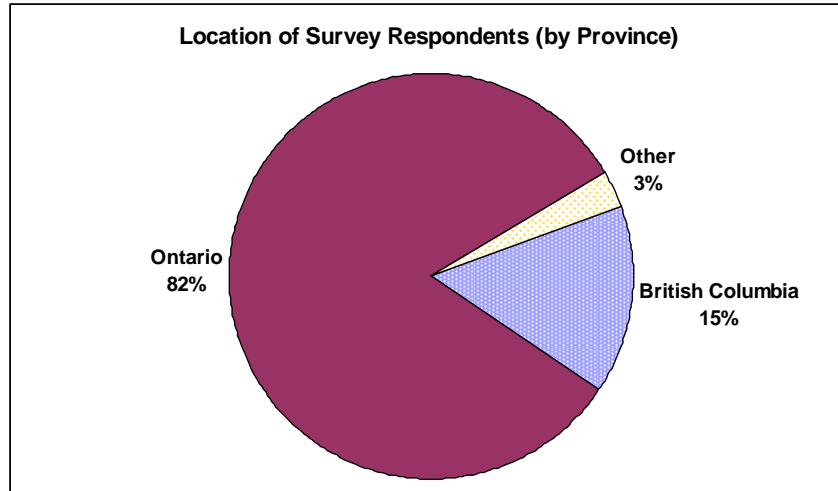
#### Education

The majority of respondents completed high school (54%) or were currently attending high school (46%).



## Location

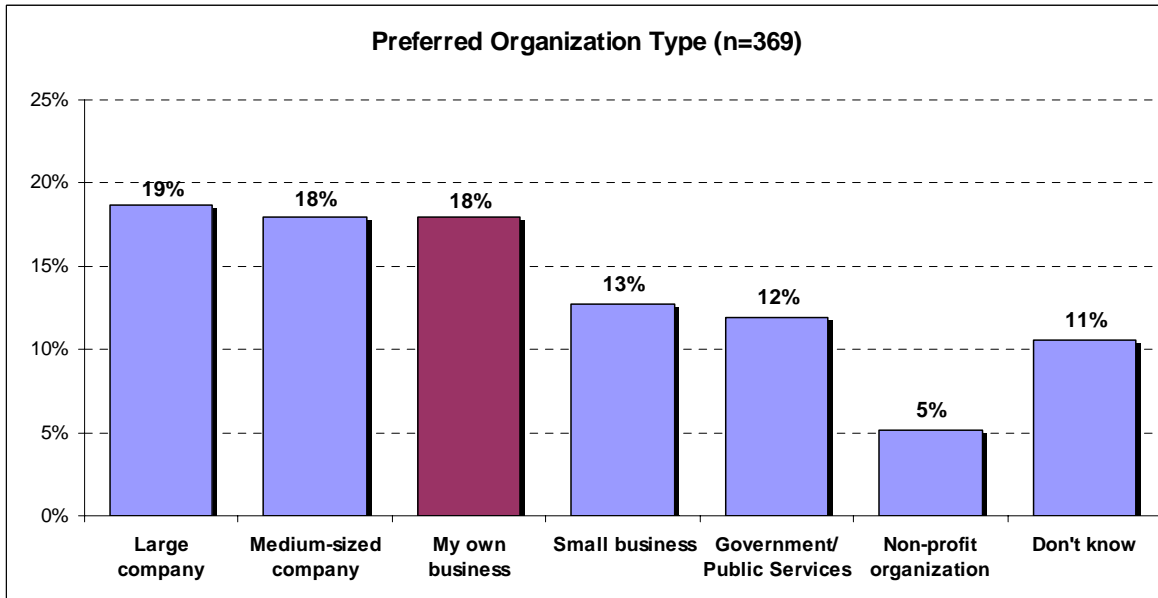
Ontario residents were over-represented in the survey sample because the *Hire Prospects*' program outreach partners are located primarily in Ontario and were active in distributing the survey. More than half of respondents (56%) lived in mid-sized or large urban centres, with a significant number living in smaller towns or rural/remote areas.



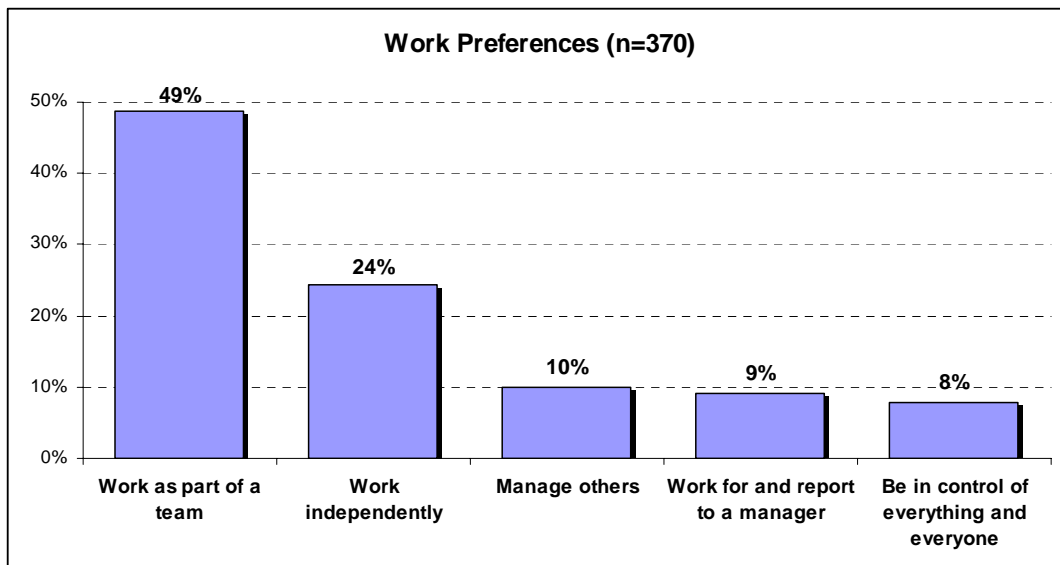


## Attitudes Toward Jobs and Career Options

When asked what type of organization they would like to work for, respondents expressed diverse preferences. Less than one in five respondents (18%) reported they would like to have their own business. By comparison, 50% preferred to work for either a large, medium or small company. Note that the results represent respondents' top preference only and does not account for those who may plan to work for more than one type of organization over the course of their career.

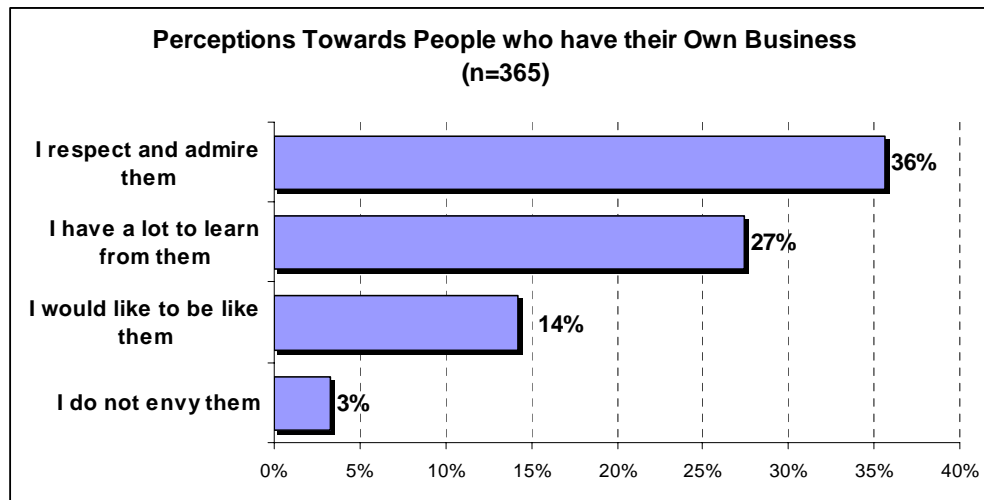


Half of all survey respondents (49%) indicated they would prefer to work as part of a team, as compared to 24% who would prefer to work independently. Only 10% expressed a preference to manage others. These results represent respondents' top preferences only. Since these options are not mutually exclusive, they should be interpreted carefully.

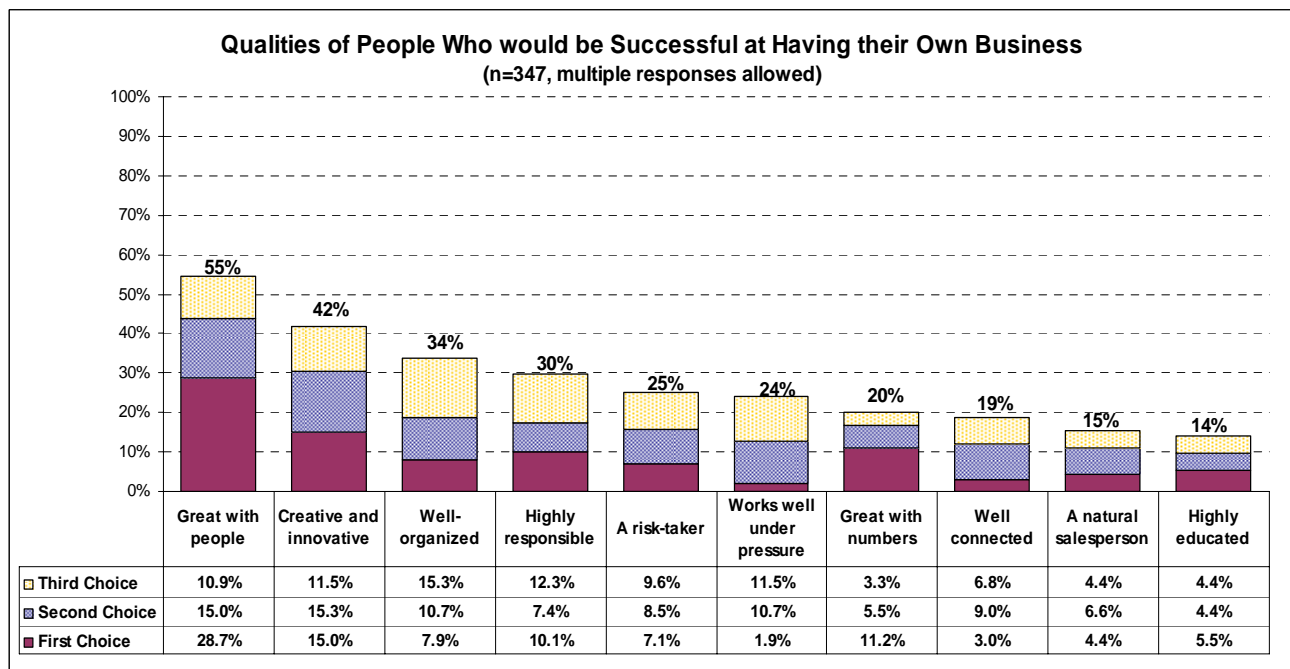


## Attitudes/Perceptions about Entrepreneurship

Although relatively few respondents expressed a preference for starting their own business, they expressed moderately positive perceptions towards people who are self-employed. Respondents expressed fairly positive attitudes towards people who have their own business. More than one third (36%) said they “respect and admire” people who run their own business. Just over one quarter (27%) noted they would “have a lot to learn from them”.

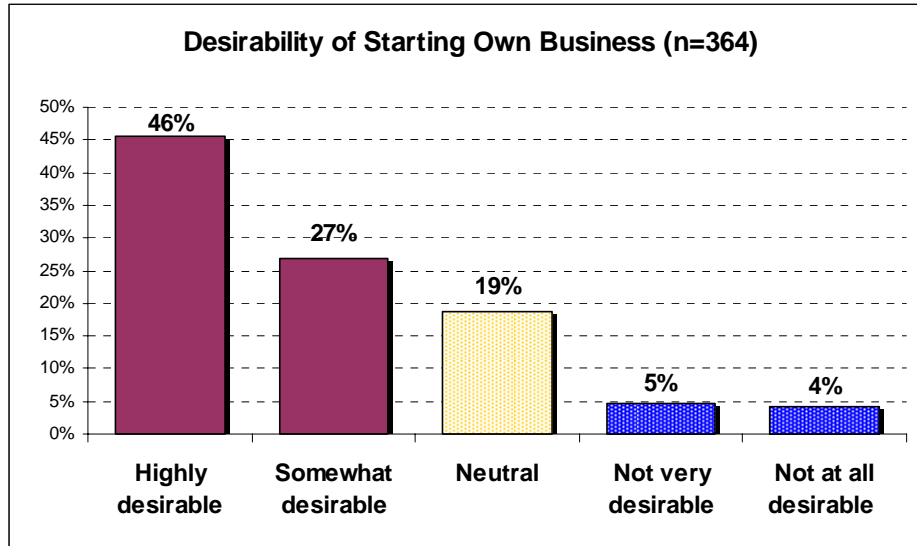


People who would be successful at having their own business were perceived as being great with people, very creative and innovative, well-organized and highly responsible. Interestingly, only 14% of respondents associated successful entrepreneurs with being “highly educated”.



## Desirability

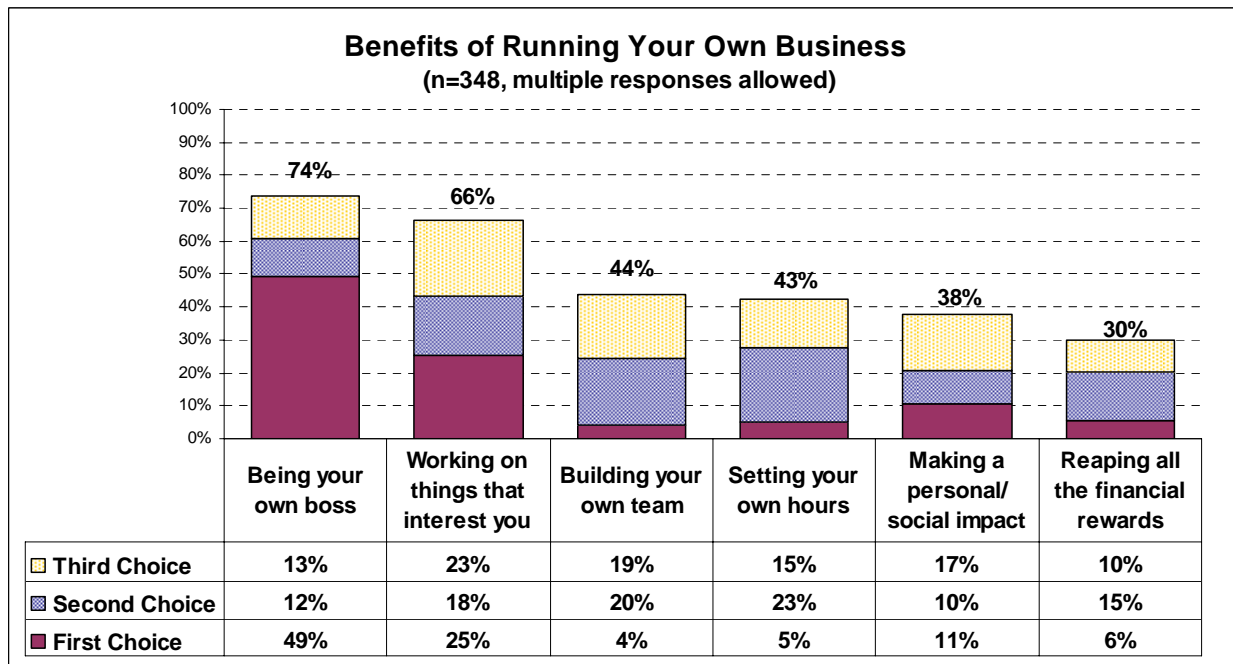
A majority of respondents indicated that starting their own business was a desirable option, with only 9% stating that it is not desirable. This appears to contradict the earlier finding that only 18% reported they would like to have their own business. But this may reflect that young job-seekers do not see starting a business as a viable or realistic one (see discussion of barriers below).



## Benefits of Starting and Running Your Own Business

Respondents cited a number of perceived benefits of starting and running their own business. More than half of respondents selected the following benefits:

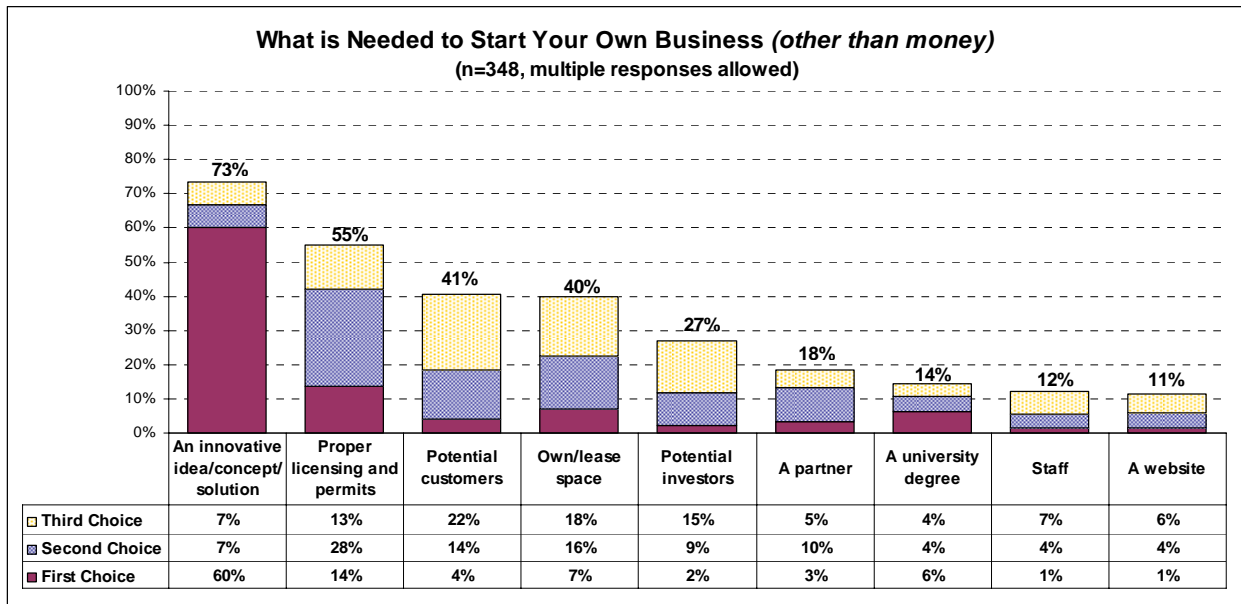
- being your own boss (74% chose this response, 49% ranked it as the top benefit)
- being able to work on things that interest you (66% chose this response, 25% ranked it as the top benefit)



## Success Factors

A key aspect of becoming an entrepreneur is having a great idea. Respondents were asked about what they needed to start their own business (other than money). The most frequent answer was, by a notable margin, “having an innovative idea/concept/solution” (74% chose this response and 60% ranked it as the top need).

More than half indicated they would need the “proper license and permits” (55% chose this response and 14% ranked it as the top need).



## Getting Information about Starting a Business

Respondents prefer to learn about starting a business first-hand from business owners rather than through school or employment centres.

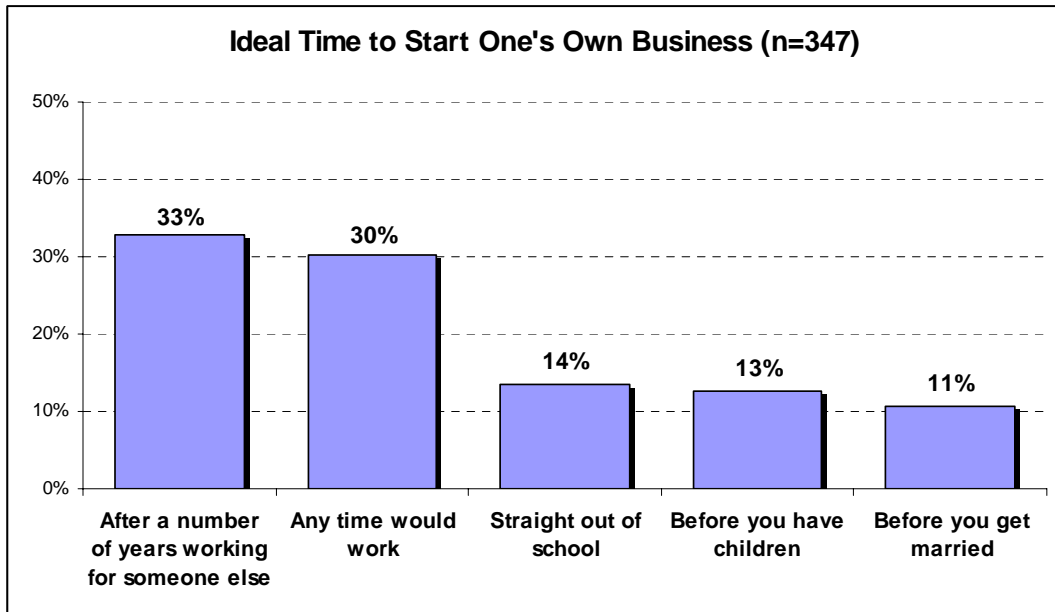
- Nearly half of respondents (47%) indicated would speak to someone they know who runs their own business.
- A smaller number said they would go back to school (17.3%) or use the internet for research (15%).
- Relatively few young people said they would visit an employment centre (10%), small business centre (8%) or library (2%) for research.

## Nature of Business and Timing

Entrepreneurship and traditional employment are not considered to be mutually exclusive. While entrepreneurship was most often envisioned as a full time endeavour, others would consider running their own business on a part-time basis (n=346):

- Half (52%) of respondents envisioned running their own business on a full-time basis as their main source of income.
- 31% thought they would run their own business on a part-time basis, while working for another company full- or part-time.
- 18% thought they would run their own business on a part-time basis and work for another company full- or part-time, *until* their business takes off.

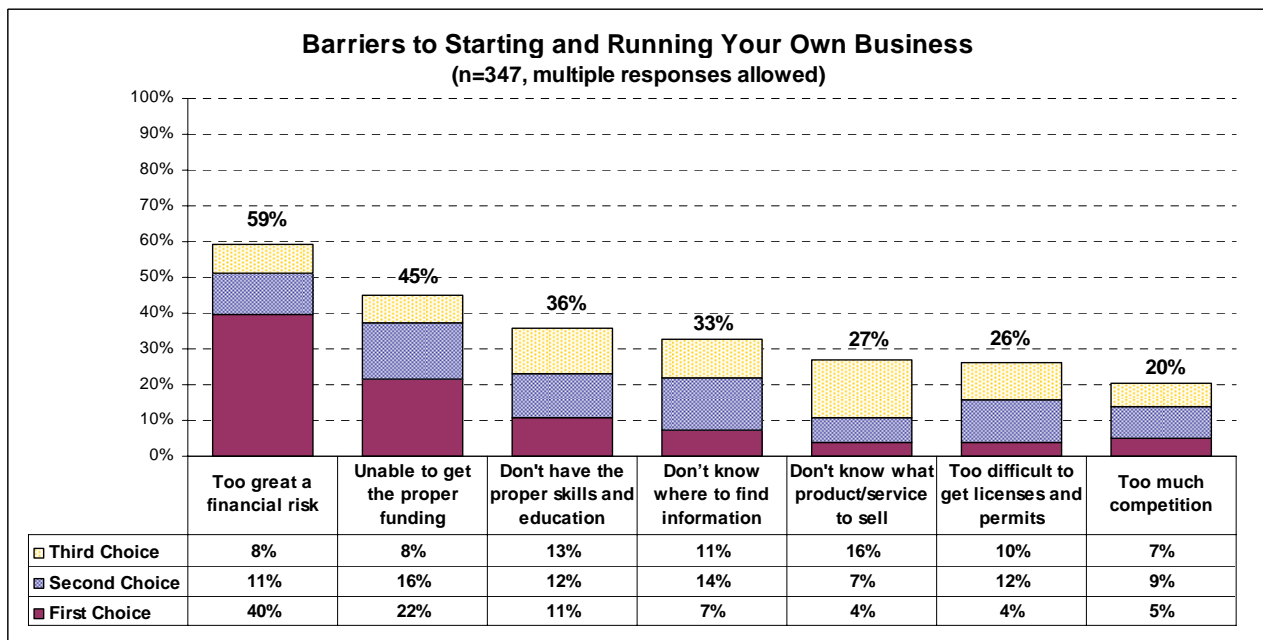
There was no consistent opinion among respondents about the best time to start their own business. Considerably more respondents indicated they thought it would be best to do so after working for someone else (33%) compared to straight out of school (14%).



## Barriers and Challenges

Starting your own business is seen as financially risky. Respondents identified financial factors as the foremost barriers to starting their own business, specifically:

- financial risk is too great (59% chose this, 40% ranked it as the #1 barrier)
- not able to get proper funding (45% chose this, 22% ranked it as the #1 barrier)

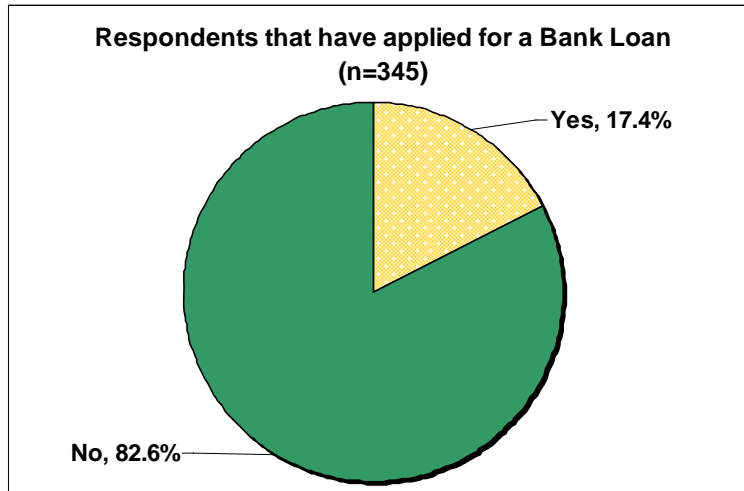


## Financing a Business

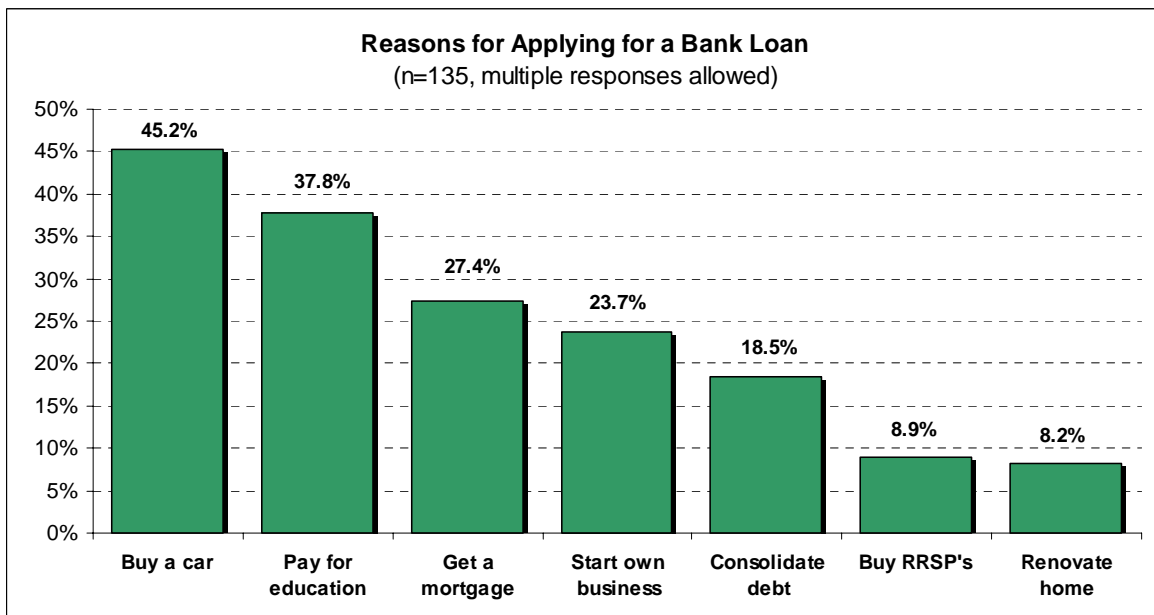
It is clearly challenging for many young people to acquire the funding they need to start a business. They usually lack a credit history and lack the incomes and/or assets required to secure a bank loan or line of credit.

### Bank Loans

The majority of respondents (82%) had never applied for a bank loan. This is likely because the majority of respondents were in their late teens and likely had no credit history.

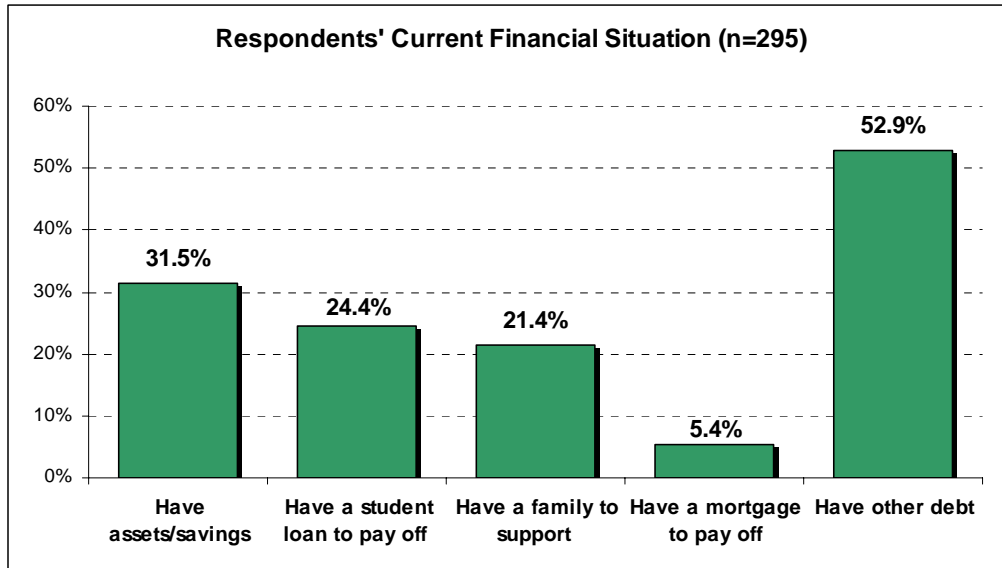


Respondents that have applied for bank loans have done so for a variety of reasons as shown by the following graph.



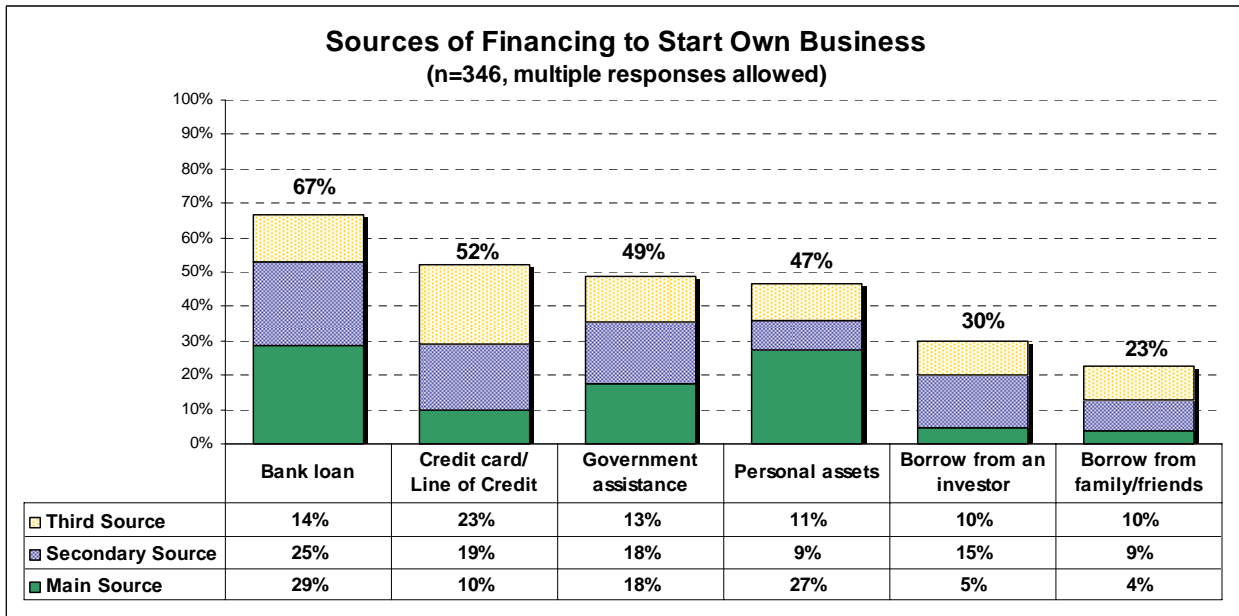
## Personal Assets and Debt

Debt is an issue for many young job-seekers. More than half of respondents reported they had student loans or other debts. Fewer than one third (31.5%) reported having assets or savings. These financial commitments may impact young peoples' ability to access the funds they need to start a business.



## Funding Sources

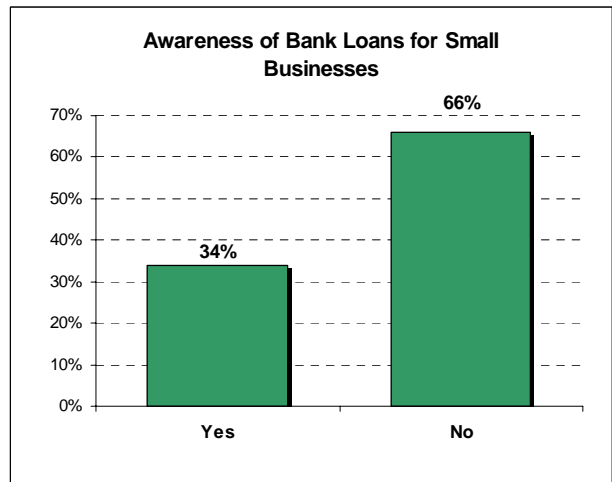
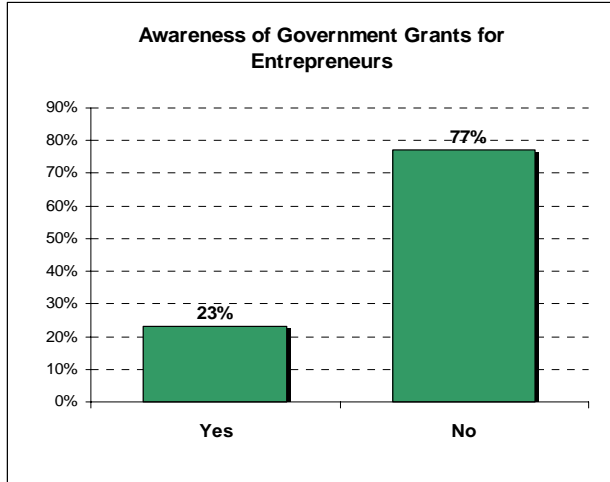
Respondents would look to financial institutions and the government for financing to start their own business. It is notable that “personal assets” was chosen as a source by only 47%, but a relatively large proportion of these were first choices. This may suggest that for those who do have personal assets, they would have preferred to use these assets rather than incurring debt.



## Awareness of Funding Sources

There was limited awareness among respondents about government grant programs and business loans offered by banks:

- 77 % of respondents lacked awareness of government grant programs for small businesses.
- Just 34% of respondents indicated they were informed about business loans offered by banks.



## Summary and Discussion

The survey results provide a snapshot of current attitudes towards entrepreneurship among youth in Ontario and British Columbia. It is important to note that this data reflects the perceptions of a small self-selected sample of young job seekers and may or may not provide an accurate overall reflection of youth attitudes towards entrepreneurship in Canada.

The results suggest that on the whole, young people have positive attitudes towards entrepreneurship. The majority of respondents felt that starting their own business was a desirable career option. Respondents like the idea of “being your own boss” and “being able to work on things that interest you”. However, relatively few selected “my own business” as their preferred organization type.

There is a noticeable gap between respondents’ admiration of entrepreneurs and their interest in becoming one. This could indicate that young job-seekers do not see starting a business as a viable or realistic one due to perceived barriers or a lack of information.

Success in running one’s own business was attributed to a variety of individual qualities, in particular, “being great with people” and “being creative and innovative”. Timing was also a consideration: many felt that it was best to work for someone else before launching their own venture.

Many young people view self-employment as a desirable, but potentially risky or daunting, career option. It is therefore important for service providers in the employment sector to enable young people to learn about and, if applicable, pursue this path. The idea of being one’s own boss is compelling, especially to young people who are independent and self-directed. The work is also considered more interesting, in part because those who are self-employed may have more choice about the types of work/projects they take on. These advantages could be highlighted in the promotion of entrepreneurship as a career option for youth.



The survey findings suggest there are significant financial barriers for young people who decide to start their own business. Few of the survey respondents had access to assets and savings—many were in debt—and awareness of funding sources was low. Respondents also noted that “having an innovative idea/concept/ solution” and “getting the proper license and permits” were important precursors to starting a business.

Young peoples’ financial situations limit their ability to access to funds for starting a business. A stronger effort by employment counselors to increase knowledge and awareness of funding sources for entrepreneurs could be helpful to young people who are considering starting their own business. However, the high level of debt among youth points to broader factors that may contribute to debt among young people (e.g., the costs of post-secondary education, macro-economic factors and limited financial literacy among youth). Many aspiring entrepreneurs may also need support from employment agencies in the development of business ideas and the administrative requirements needed to establish a small business.

Access to useful information about starting a small business is clearly an important factor for potential entrepreneurs and young people want to hear directly from those who may have already done so. It is also important to provide opportunities for young people to hear directly from self-employed individuals about their experiences and lessons learned. Mentorship opportunities can be invaluable for young people interested in starting their own business.

Employment centres and libraries are not seen as obvious sources of information about self-employment. This finding could reflect ignorance of services/resources offered through these sources and/or dissatisfaction with past experience in trying to get information. Targeted outreach and marketing may be needed to raise the profile of these organizations as useful sources of information about entrepreneurship.

### III. INNOVATION FORUMS

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Seven innovation forums and focus groups were held in Ontario and British Columbia. These events were attended by participants who had experience running a business as well as youth who were aspiring to or considering an entrepreneurial career. Many similar issues were raised repeatedly; however those with experience understandably offered more detailed observations and insights.

#### Attitudes/Perceptions about Entrepreneurship

*"Entrepreneurship is a spirit. Starting a business is the reality of putting that spirit into play."*  
- Forum Participant

Participants frequently associated entrepreneurship with risk-taking, passion, dedication and creativity/innovation. Running your own business is usually viewed as a rewarding career option; however, many participants felt it was best pursued after one has completed the relevant education and training, gained some practical work experience and thoroughly planned and researched a business idea. Also, some participants noted they received little information while in school about becoming an entrepreneur or starting their own business.

*"No one at school was considering [becoming an] entrepreneur, most people see it as risky, not stable"* - Forum Participant

#### Benefits of Pursuing an Entrepreneurial Career

##### Job Satisfaction

Many participants highlighted the fact that an entrepreneurial career can bring a sense of independence and control over one's work and economic future. Being your own boss can be liberating for young people and can enable them to make a living on their own terms rather than those of an employer.

Entrepreneurial work was considered by participants to be exciting and creative. It is rewarding to work directly with clients and to see first-hand the impact of one's efforts. Young entrepreneurs also expressed a sense of accomplishment and pride in seeing their business succeed and grow.

*"You have the say of where you are at any given point in time, you have that control, and I think that's the one main thing that drove me toward entrepreneurialism, you can control your own future."* - Young entrepreneur

##### Enhances Confidence and Builds New Skills

Participants mentioned that by experiencing challenging situations young people can build their confidence and become more responsible and self-motivated. They felt that choosing an entrepreneurial path provided young people with opportunities to cultivate their creativity. Young people would also learn skills such as organizational development and financial planning that are transferable to a variety of future career possibilities.

## Earnings

In spite of the financial challenges associated with starting and running a business, some participants mentioned pay as a benefit of being an entrepreneur. However, they did not specify whether the pay was perceived to be better for entrepreneurs compared to those who chose other career avenues.

## Success Factors

### Individual Characteristics

Participants noted that successful entrepreneurs possess many of the following characteristics:

- work well with people
- comfortable with risk
- passionate and inspired
- dedicated and tenacious
- patient
- creative and innovative
- organized

*"you have to be a strong person to have a business because obviously . . . there are a lot of things that are going to be thrown at you and you have to take that. Take it in a good way." – focus group participant*

*"You expect people to come once you start your business, people won't just rush, it takes time" – Focus group participant*

### Knowledge, Skills and Experience

In order to be successful, participants felt entrepreneurs require core knowledge e.g., finance and marketing along with specialized skills that are applicable to their particular field. These skills are typically obtained through post-secondary education or by taking courses. However, many participants view formal education as less important than the practical knowledge gained through relevant work experience, working with a mentor or job shadowing. This practical experience is considered an essential facilitator of success as an entrepreneur.

*"I think you need at least some business experience first 'cause you are getting out there with a lot of competitors that probably do have business experience or are already experienced"*

*"I think the experience is important in working with people that are already doing what you want to do so you can see how they trouble shoot and what things come up for them and you can be like okay what would I do in this situation. So I think job shadowing or working in the field for a while would be important." –Focus group participants*

Some participants noted that taking part in an entrepreneurship program (e.g., one offered by a youth employment centre) is a great opportunity to structure their businesses and develop the skills and support needed to succeed. Participating in a program with peers who are pursuing similar goals may offer inspiration and camaraderie. Also, youth can learn valuable lessons from the successes and mistakes of their peers.

### Social Support Network

Families, friends, mentors and other business people were considered important social supports for young entrepreneurs. Participants felt a supportive social network helps young entrepreneurs stay motivated and weather the challenges and setbacks they encounter frequently in their work.

*"I think you have to be connected. Have connections to actually succeed in anything. I think if you get education and skills and experience, and everything but you don't have the connection, then you have all these things but you are all alone out there" – focus group participant*

*"the more you talk to people in a positive environment the more inspired you are to do better and you actually do better." - Young entrepreneur*

## **Research and Planning**

Those with some experience as entrepreneurs strongly emphasized the need to thoroughly research and plan a new business venture. A detailed business plan is considered to be essential as it will increase the likelihood of business success. This is particularly important in situations where potential entrepreneurs must compete with established competitors that are often much larger and have greater access to resources.

## **Accessible Funding**

Several participants referred to the Canadian Youth Business Foundation (CYBF) as a valuable source of initial funding (loans) to start a small business. In addition to providing loans, the CYBF makes a number of useful resources available through their website.

*"The Canadian [Youth] Business Foundation was a great base for us to start with [by providing] a loan. They kind of base it more on vision and business plan and personal financials. They were awesome." - Young entrepreneur*

## **Challenges and Barriers Faced by Young Entrepreneurs**

Participants discussed a variety of challenges associated with being self-employed. Some of these related to getting started as an entrepreneur (financial risk, finding a mentor) and others related to running a business (coping with obstacles, work/life balance). Acquiring financing (e.g., bank loans) was seen as a challenge for both aspiring and established entrepreneurs.

## **Financial Risk and Insecurity**

There is a significant risk involved in pursuing most entrepreneurial ventures. Some participants spoke about the need to have a financial safety net and/or a back-up plan in place before pursuing such an opportunity.

*"people who are coming out of university, they are usually in a fair amount of debt so it [starting their own business] is not usually what they think about." Focus group participant*

## **Obtaining Financing**

Young entrepreneurs mentioned they face difficulties acquiring the funding or loans to start (or expand) a business. They typically lack a credit history and the income and/or assets required to secure a bank loan or line of credit. It is often difficult to find a co-signer or guarantor for the loan. Most financial institutions are averse to supporting young entrepreneurs whom they think may be high risk. *Van City Credit Union* was cited by some B.C. respondents as being more responsive to small businesses, but it does not offer a full range of services (e.g., electronic payment processing).

*"Banks... don't really love you until you have money. And you need them and use them for all your services and no matter how long you build a credit with them, the day comes when you need more and it is difficult. It really is so difficult to get money from banks." - Young entrepreneur*

### **Time Required to Establish a Business**

Participants noted that a great deal of time and effort is needed to choose the right product or service to sell, research the market and develop a comprehensive business plan. It is also often difficult for young people to dedicate the required time while juggling work and school commitments.

*"I think if there was more focus and help on people developing their business plan and actually coming into your business and helping you with management and looking at being more interactive part in the business I think that would help people, encourage people to move forward as entrepreneurs." – Young entrepreneur*

### **Finding/Accessing Mentors**

Participants recommended that different types of mentorship are needed at different stages when establishing a business. Finding appropriate mentors can be a challenge for some young entrepreneurs. Young women who are building their own businesses indicated they would like to have better access to female mentors who have succeeded and overcome the struggles they face.

### **Coping with Obstacles and Setbacks**

Young entrepreneurs noted they often deal with unexpected 'hurdles' and 'roadblocks' that arise in their work. Coping with these obstacles is a challenge that requires patience and perseverance. Some participants also noted the importance of supportive social networks during challenging times.

*"It is like a struggle to have that balance of making, feeling stable in such an unstable environment. For me that has been the hugest challenge to stay, to keep motivated everyday and to be thankful for where I am." – Young entrepreneur*

*"You expect people to come once you start your business, people won't just rush, it takes time and that is where you can lose hope." – Focus group participant*

### **Maintaining Work/Life Balance**

Some participants discussed the significant investment of time required to run your own business. Those who are self-employed often work long hours including evenings and weekends. Also, it is often more difficult to draw boundaries between one's work and personal life, unlike some traditional careers where it may be easier to 'leave work behind' at the office.

*"When you are an entrepreneur... you make your own schedule but you have to put so much work into it that you really do let yourself go. You don't put yourself first." - Young entrepreneur*

*"Some people want to leave a job at work, not bring it home – [you] can't do that [as] entrepreneurs." – Focus group participants*

## Negative Perceptions

Youth reported they often hear others express negative perceptions about entrepreneurs. Many of the young entrepreneurs mentioned they are not taken seriously by friends and family members, lawyers, and bank representatives.

*"It was kind of hard because I was pretty driven to do different things when I was younger too and always had a hard time getting support I guess because you are still young and therefore not always taken very seriously" – Focus group participant*

## Gender Issues

Some female participants noted there was little support available to women to help them succeed in male-dominated fields of work. Young women who are building businesses in 'non-traditional' areas indicated they would like to have access to female mentors who have successfully overcome the same struggles they are currently facing.

## Summary and Discussion

The findings from the innovation forums and focus groups paint a broad picture of the success factors and challenges that young entrepreneur often face. Many of the findings and insights are from the point of view of a young entrepreneur and therefore offer rich insights into their actual experience, as opposed to the results of the survey which primarily captured overall youth perceptions.

Participants in both phases of the study thought that having your own business was a rewarding career option. Participants in the forums and focus groups added that this career path was best pursued after completing the relevant educational programs/courses and gaining practical work experience. They also pointed out that a successful business venture requires thorough planning and research.

Participants identified a number of success factors including the importance of gaining practical experience and having access to youth entrepreneurship programs and mentorship. They also emphasized the importance a supportive social network while pursuing this kind of work.

Employment counsellors could draw upon these findings to help them recognize young people who show potential as future entrepreneurs. Counsellors could also learn from the facilitators and barriers when coaching youth who are planning to start their own business.

The findings also have broad implications in terms of the employment sector, particularly vis-à-vis the content and delivery of entrepreneurship programs and resources geared towards youth. It is also clear that mentorship programs are extremely important, especially those that provide social support and help aspiring entrepreneurs gain first-hand insights into this career path.

The findings also speak to the need for flexible and supportive financing options for young peoples' business ventures. *The Canadian Youth Business Foundation (CYBF)* is cited as a worthy program geared towards assisting youth, but there appear to be few other options for young people aside from traditional financial institutions which are, with very few exceptions, averse to supporting young entrepreneurs whom they deem high risk.

## IV. KEY INFORMANT INTERVIEWS

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Key informant interviews were conducted with ten staff members of organizations that deliver entrepreneurship programs or support youth entrepreneurship.

### Success Factors

#### Individual Characteristics

The individual characteristics identified by service providers were very similar to those mentioned by focus group participants in the previous section. For example, the quotes shown below speak to the importance of passion, dedication and perseverance.

*"They have to have the passion, it doesn't work to join the program for the money. Won't succeed."*

*"If they can't say no to their buddies who want to go out to watch a baseball game because they have to do a proposal for a client, then that is not going to work. Their family and friends have to be supportive."*

*"There has not been a business yet that has ever started that doesn't have major hurdles. A true entrepreneur is one that can tackle those hurdles." - Key informants*

#### Knowledge, Skills and Experience

The key informants stressed the value of the knowledge and skills gained through education and experience. They suggested that many young clients are not yet ready to become entrepreneurs.

*"We find, as a general rule that [youth aged] 18 to say 25 have not had enough life experiences and life dreams to decide to become an entrepreneur." - Key informant*

They also emphasized the importance of training on topics such as:

- time management,
- personal budgeting
- debt management
- communication skills
- leadership and motivation
- business planning

*"You have to... spend a lot of free time developing your business plan and finding partners and researching the market and stuff like that." - Service provider*

#### Program/Organizational

Service providers strongly endorsed the use of mentors to assist young entrepreneurs. One provider noted that mentorship is a mandatory part of the entrepreneurship program offered by their organization.

*"The mentoring... we find is an essential component... Mentorship is mandatory and it is what they really like. ...we make it structured and customized."*

*"I would advise every entrepreneur out there to find a mentor . . . it is really important that you get input from other people. You are too close to your business sometimes to really realize that." - Key informants*

One key informant emphasized the importance of adapting programs over time, taking into account the changing needs of participants.

*"We are constantly reviewing the programs and get their feedback and we change the programs based on that feedback. So it is constantly evolving the program, it is not the same every year, or even every week. After each intervention we tailor it..."* Key informant

Another key informant suggested that it is important for employment agencies to champion entrepreneurial attitudes and programs.

*"Create a safe environment to explore, create more opportunity to encourage [youth] to look at the options"*

*"I think the success stories [occur] when an organization decides... employment is our focus but we are going to at least ask the questions of our youth and at least try and make a meaningful connection to someone who could help them [pursue an entrepreneurial career]"*  
– Key informants

An additional suggestion was to share best program practices among stakeholders.

*"To try and share. .... Sharing best practices, coming to the people that run them on the ground before they develop programs, to find out what is working, instead of just developing programs in silo they should be checking. There should be a round table for policy makers, government and organizations." – Key informants*

## **Challenges and Barriers Faced by Employment Counsellors/Agencies**

Programs that specifically cater to self-employment are perceived to be under-funded; respondents reported they can not currently meet the demand for participation in these programs.

Service providers also highlighted the lack of long-term commitment from funders to their programs, which makes it difficult to plan future programming activities and to retain staff.

*"We have been advocating very strongly that we should be getting renewal funding based upon our successes" – Key informant*

Some key informants also spoke of the need for greater flexibility from government funders in terms of program design and outcomes. This flexibility is needed to help deal with the unpredictable nature of entrepreneurship programs and should recognize that many of skills gained through such programs are also pertinent to other career paths.

*"It is not like a [regular] employment program. There will be failures along the way... Somebody may have a product that they tested and they have to go back a few steps. This would allow more flexibility in the program."*

*"Recognize that the skills learned in an entrepreneurship program, even if in a year's time that person goes back into the work force, that those skills are invaluable even in the work force. That we are not only enhancing entrepreneurship, as itself, those skills will carry with them and create a more educated work person, or talented work force. They should recognize those outcomes as well." – Key informants*



## Summary and Discussion

Staff members of organizations that deliver entrepreneurship programs or support entrepreneurship among youth informants reported a strong interest in and demand for entrepreneurial careers on the part of the young people in their communities. There was a general consensus that more resources are required to provide sufficient programs and supports to help young people gain the skills, experience and financial resources required to start their own businesses.

Key informants also stressed that it will be important for organizations to champion entrepreneurial programs and to ensure these programs adapt to the changing needs of participants. Key informants emphasized the importance of successful mentorship opportunities as well as training on practical topics such as time management, personal budgeting, debt management, communication skills and leadership.

It is clear that service providers could benefit from better communication and coordination with key stakeholders and the sharing of best practices regarding entrepreneurship programs. Otherwise, strategies are likely to be fragmented and individual organizations will find that with each new program, they need to ‘reinvent the wheel’.

These findings also suggest there is a need for service providers within the youth employment sector to make a stronger case for entrepreneurship programs, in order to obtain the funding they feel that these programs deserve. In order to do so, it may be necessary to demonstrate the effectiveness of these programs through more formalized evaluation of outcomes. At the same time, funders could be more flexible about the kinds of outcomes generated by entrepreneurship program and the timeframes in which these outcomes can realistically be achieved.

## V. CONCLUSIONS AND OPPORTUNITIES

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This study suggests that many young job-seekers have positive attitudes towards entrepreneurship, but that relatively few indicated a preference to start their own business rather than work for an established (medium to large) organization. These results suggest that young people are much more likely to pursue traditional forms of employment over entrepreneurial careers.

A few key findings emerged from this study. They relate to the importance of raising the profile of entrepreneurship as a viable career option as well as providing effective programs to help young entrepreneurs:

1. Many young job-seekers have positive attitudes towards entrepreneurship, but relatively few preferred to start their own business instead of working for an established organization. The study also suggests that young people perceive there to be significant financial and other barriers to starting their own business.
2. Relatively few young people learn about entrepreneurship at an early age (i.e., at high school). There is clearly an opportunity to more proactively inform youth about entrepreneurship as a potential career option.
3. There appears to be a high level of demand for entrepreneurship programs that are offered by local employment centres, especially those that offer opportunities to learn directly from established entrepreneurs.

A successful and creative Canadian economy needs entrepreneurs. If young people do not consider starting their own business to be a viable option—due to lack of interest, lack of knowledge, or perceived barriers—this may result in less people working as entrepreneurs careers in the future. The study findings have implications for educators, career counsellors, program managers and policy makers who wish to promote entrepreneurship as a viable career option for young people.

Comments made by study participants point to a number of different opportunities to raise awareness of entrepreneurship as a viable career option and to provide better support for aspiring entrepreneurs. These ideas—outlined below—are not intended to be prescriptive, but rather to promote dialogue and action among key stakeholders, locally and nationally.

### **Opportunities for Employment Counsellors/Agencies**

- Use an asset-based counselling approach to identify young peoples' strengths and attributes that may be indicative of success as an entrepreneur.
- Work with youth to examine and find solutions to real or perceived financial barriers to starting their own business.
- Expand the use of formal mentorship programs that link interested youth with successful entrepreneurs and self-employed adults.
- Improve the promotion and visibility of programs and resources to assist young people interested in pursuing entrepreneurship or self-employment as a career path.
- Organize community forums so young people can learn about entrepreneurship and connect with resources and potential mentors.
- Seek out success stories and share these with others in the sector and also with supportive media outlets.

### **Opportunities for the Youth Employment Sector**

- Expand the prevalence and scope of programs to assist young people in pursuing entrepreneurship or self-employment as a career path.
- Develop resources to support the implementation of effective youth entrepreneurship programs, drawing upon best practices that have been successful in meeting the needs of young entrepreneurs.
- Develop and disseminate accessible resources (e.g., guides or fact sheets) for aspiring entrepreneurs to assist them in developing their own business. This could include the creation of an on-line database of resources including a directory of programs, funds and grants available (this could build upon the resources created and compiled by CYBF<sup>3</sup>).
- Enhance formal training and professional development opportunities for youth employment counselors in order to increase their knowledge of this career option and enhance their ability to advise clients about entrepreneurship and self-employment career paths.
- Engage in regular and consistent communication and collaboration with a range of stakeholders to promote entrepreneurship among youth and share best practices (stakeholders may include employment counsellors, established entrepreneurs, government officers, training boards and private sector representatives). This could be accomplished in a variety of ways, such as on-line forums, communities of practice or roundtables.

### **Opportunities for Educators**

- Develop and provide course content about entrepreneurship at the high school level, so youth gain early exposure to entrepreneurship as a potential career option, as well as an opportunity to develop core skills such as business planning and marketing.

### **Opportunities for Funders and Policy-Makers**

- Provide additional funding to expand and improve entrepreneurship programs offered by employment centres and commit to funding these programs over the longer-term in order facilitate continuous improvement and staff retention.
- Support the development of concrete, yet flexible and realistic outcomes and indicators of successful entrepreneurship programs.
- Create additional financial support—through low-interest loans and targeted grants—to young entrepreneurs wishing to establish their own businesses.

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<sup>3</sup> Please see <http://www.cybf.ca/entrepreneurs/business-resources.htm>

## APPENDIX A: SURVEY QUESTIONS

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**This questionnaire is about different employment opportunities for young people. Your responses to the following questions will help shed light on what motivates people in their work.**

1. What is your year of birth?
2. What is your gender?
3. In looking for a job, what type of organization would you prefer to work in? Please choose one.

My own business  
Small business  
Medium-sized company  
Large company  
Non-profit organization  
Government/Public Services  
Don't know  
Other (please specify)

4. In work, which best describes you? Please select one.

I prefer to work for and report to a manager  
I prefer to manage others  
I prefer to be in control of everything and everyone  
I prefer to work as part of a team  
I prefer to work independently

### **A FEW QUESTIONS TO HELP US UNDERSTAND HOW YOU DEFINE ENTREPRENEURSHIP**

5. Do you personally know anyone who runs their own business? Select all that apply.

Yes, I have family member(s) who run their own business  
Yes, I have friend(s) who run their own business  
Yes, I know someone else who runs their own business  
Yes, I have worked for someone who ran their own business  
No

6. How do you view people who have their own business? Please select one.

I respect and admire them  
I have a lot to learn from them  
I would like to be like them  
I do not envy them  
It doesn't make a difference to me if they own their own business or not

7. What type of person would be successful at having their own business? Please select three.

Great with numbers  
Great with people  
A natural salesperson  
Very creative and innovative  
Someone who is well connected  
Someone who is highly educated  
A risk-taker  
Well-organized  
Works well under pressure  
Highly responsible  
Not be a visible minority  
A male

- A workaholic
8. Please rate how much you believe each of these groups support entrepreneurs.

	<b><u>Very Supportive</u></b>	<b><u>Somewhat Supportive</u></b>	<b><u>Not Very Supportive</u></b>	<b><u>I Don't Really Know</u></b>
Family				
Friends				
Federal government				
Provincial government				
Municipal government				
Banks				
Business associations				

9. Which of the following statements best describes what it is to be an ENTREPRENEUR? Please select one.

Someone who starts and owns a franchise  
 Someone who is a majority owner of a large company operating around the world  
 Someone who starts and owns a small business where they are the only employee  
 Someone who owns and runs a business with more than one employee  
 Someone who starts their own business and then sells it  
 Someone who starts and runs a non-profit organization

10. How desirable would it be to start your own business? Please select one.

Highly desirable  
 Somewhat desirable  
 Neutral  
 Not very desirable  
 Not at all desirable (if they answer "not at all desirable", skip to Question #27)

11. What are the top three benefits of starting and running your own business (rank from 1 to 3)?

You are your own boss  
 You reap all the financial reward  
 You get to set your own hours  
 You build your own team  
 You get to work on things that interest you  
 You can make a personal/social impact by choosing the work that you do

12. What are the three biggest barriers you believe would stop you from starting and running your own business? Choose three.

Too great a financial risk  
 I won't be able to get the proper funding  
 Too difficult to get the right licenses and permits  
 I don't know where to find information to help me start my own business  
 I don't have the proper skills and education to have my own business  
 I won't have the proper health benefits and insurance that comes with working for a company  
 It's too much work  
 I don't want the responsibility  
 Too much competition and an overcrowded marketplace  
 I don't know who to hire and join my team  
 I don't know what product/concept/service to sell

13. If you were considering being an entrepreneur, how would you most likely get information on starting your own business? Please select one.

Speak to someone I know who runs their own business  
 Go back to school  
 Use the internet for research

14. Aside from money, what else do you believe you need to start your own business? Please choose three.

- Have an innovative idea/concept
- Have a university degree
- Get the proper licensing and permits
- Have a partner
- Employ staff
- Own/lease space
- A website
- Know a lot of people to be potential investors
- Know a lot of people to be potential customers

15. Which statement best describes the situation in which you would run your own business? Please select one.

- Running my own business would be a full-time job and my main source of income
- I would run my own business on a part-time basis AND work for another company full- or part-time
- I would run my own business on a part-time basis, work for another company full- or part-time UNTIL my business takes off and then quit the other job

16. When would be the ideal time in your life to start your own business? Please select one.

- Straight out of school
- Before you get married
- Before you have children
- After a number of years of working for someone else
- Any time would work

**THESE QUESTIONS WILL HELP US UNDERSTAND HOW PEOPLE WOULD GO ABOUT FINANCING THEIR OWN BUSINESS**

17. How much financing do you think you need to start your own business? Please select one.

- Less than \$25K
- \$25K - \$100K
- More than \$100K

18. Which sources of financing would you use if you were to start your business? Please choose three (1=main source, 2=secondary source, 3=third source)

- Personal assets
- Credit card
- Government assistance
- Borrow money from family/friends
- Borrow from an investor
- Bank loan
- Take a line of credit
- I don't know where I would get the money from

19. How likely would you be to get funding from each of the following sources of funding? (highly likely, somewhat likely, neutral, not very likely, not at all likely)

- Personal assets
- Credit card
- Government assistance
- Borrow money from family/friends
- Bank loan
- Take a line of credit
- Investor

20. How often do you spend time on the internet?  
Daily / Weekly / Monthly / Less frequently
21. Have you ever looked at a Canadian government website?  
Yes / No
22. Do you do any banking online?  
Yes / No
23. Are you aware of the types of government grants you can receive if you were to start your own business?  
Yes / No
24. Are you aware of the various types of business loans that banks offer?  
Yes / No
25. Have you ever applied for a bank loan?  
Yes / No
26. (If answered Yes to applying for a bank loan) Please select all the reasons why you have applied for a bank loan.  
Buy a car  
Get a mortgage (to buy my home)  
Renovate my home  
Consolidate my debt  
Pay for my education  
Buy RRSPs  
Start my own business
27. In terms of your current financial situation, please check all that apply.  
I have a student loan to pay off  
I have a mortgage to pay off  
I have other debt  
I have a family to support  
I have assets/savings

**THE NEXT FEW QUESTIONS TELLS US HOW YOU VIEW SUCCESS**

28. Who do you think are most respected in society? Please choose your top 3.  
Artist  
Athlete  
Business owner  
CEO  
Charity worker/volunteer  
Clergyman  
Doctor  
Journalist  
Lawyer  
Politician  
Teacher
29. From the list below please select the five items that would most symbolize what success means to you.  
Having money in the bank  
Superior physical health

- Owning a large house
- Having a high level of education
- Saving for the future
- Having a loving stable relationship with my partner/spouse
- Owning an expensive car
- Being happy most of the time
- Having a job/career that I like
- Being able to go on a big vacation or trip once a year
- Having the ability to leave a big inheritance for my children
- Doing the things I most want to do
- Having a comfortable balance of work and life
- Having good friends that I can count on
- Being recognized as an leader in my profession
- Being a high ranked executive at a large company
- Earning a lot of money
- Running my own business
- Making a social impact

30. If you had your own business, what would make you consider it a success? Please choose two.

- Being recognized as a leader in your industry
- Having/making lots of money
- Having lots of customers
- Going public/selling the business for a profit
- Making a social impact

**THIS SECTION ASKS QUESTIONS ON YOUR EDUCATION**

31. Which courses did you take in high school and/or college/university? Select all that apply.

in HIGH SCHOOL at COLLEGE/UNIVERSITY

- Accounting
- Business Administration
- Business Computer Applications
- Business Law
- Business Management
- Business Writing
- Commerce
- Communications
- Entrepreneurship
- Finance
- Human Resources
- Intro to Business
- Macroeconomics
- Marketing
- Marketing Research
- Microeconomics
- Sales/Promotion
- Statistics

32. Which courses would you have been interested in taking but didn't? Select all that apply.

- Accounting
- Business Administration
- Business Computer Applications
- Business Law
- Business Management
- Business Writing
- Commerce
- Communications
- Entrepreneurship
- Finance



Human Resources  
Intro to Business  
Macroeconomics  
Marketing  
Marketing Research  
Microeconomics  
Sales/Promotion  
Statistics

33. Did your high school teach classes on starting/running your own business?

Yes / No / I don't know / I didn't go to high school

34. Have you taken any programs made available through youth centres?

Yes, I have taken a program(s) through Junior Achievement  
Yes, I have taken a program(s) through Youth Employment Centres  
No, I have not (but knew these programs existed)  
No, I have not (and did NOT know these programs existed)

35. What was your average grade in high school?

A+; 90-100%  
A; 80-90%  
B+; 78-79%  
B; 74-77%  
B-; 70-73%  
C; 60-69%  
D; 50-59%  
F; <50%

36. What is the highest education level you have? Please select one.

Some of my high school requirements  
Completed high school  
Some of my university/college requirements  
An undergraduate university or college degree  
A graduate degree  
A post-graduate degree

### **A LAST FEW QUESTIONS TO HELP US DESCRIBE THE PEOPLE ANSWERING THIS SURVEY ...**

37. Which province do you live in?

38. Which of the following best describes you?

I am a first generation Canadian (I was not born in Canada)  
I am a second generation Canadian (I was born here, but one or both of my parents were not)  
Both my parents and I were born in Canada

39. Apart from being Canadian, many of us have a relationship to other communities or countries in which our families once lived. Which ONE of the following "communities" do you identify with?

African  
American  
British/Irish/Scottish/Welsh/Australian  
Canadian Aboriginal  
Central/South American  
Italian  
French  
Mexican  
Middle Eastern  
Western European (Spanish/Greek,etc)

Eastern European (i.e Polish, Ukrainian, etc)  
Portuguese  
South Asian (Indian/Pakistani/etc.)  
Other Asian (Chinese/Japanese/Thai etc.)  
West Indian/Caribbean (Jamaican/Trinidadian)  
None, just Canadian  
English Canadian  
French Canadian  
Other  
DO NOT WISH TO ANSWER

40. Which of the following best describes where you live?  
A major city (over 1,000,000 people)  
A major city (100,000 - 1,000,000 people)  
Suburbs of a major city  
Small city (20,000 – 99,999 people)  
Town  
Rural area  
Remote (northern Canada)
41. What is your marital status?  
Married  
Common Law  
Living with a Partner  
Divorced  
Widowed  
Single (never married)  
Separated
42. How many children/dependents do you have under the age of 18 years?
43. Do you currently:  
Rent your place of residence / Own your place of residence / Neither
44. Which of the following best describes your living situation?  
Live on my own  
Live with my parent(s)/caregiver(s)  
Live with a roommate(s)  
Live with my partner
45. (If yes to living with parents/caregiver) Did you ever move out and have since moved back in with your parents/caregiver?  
Yes / No
46. (If yes to moving back in with your parents/caregiver) Why did you decide to move back in to your parent's/caregiver's home? Please choose one.  
Financial  
Care for a parent  
I enjoy living with my parents  
Cultural reasons  
Parents/caregiver insisted  
Finished school  
Change in personal relationship  
For convenience  
Other
47. (If living with roommate(s),) how many people do you live with?

**THANK YOU FOR FILLING OUT OUR SURVEY.**

## APPENDIX B: FOCUS GROUP GUIDE

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### Experiences

- 1) What does entrepreneurship mean to you?
  - Definitions
  - Experiences
  - Dreams/Goals/Ideas
  - Role models
- 2) What has your experience been so far (either as an entrepreneur or considering being an entrepreneur)?
- 3) What has been most rewarding for you?
  - What are the perks of owning a business?
  - Success stories?

### Perceptions

- 4) What are the current attitudes about entrepreneurship (by you, your friends, others in the community)?

### Supports

- 5) Do you feel supported by your friends, family and community? If yes, how? If no, why not?
  - What are your perceptions of yourself? Of others?
  - What other supports/resources did you need?
- 6) What community programs/services have been helpful or would be helpful to you?
  - What are the strengths and/or weaknesses of these programs? (experience with counselors, specific programs, referrals, etc)
- 7) What skills, education, experience and finances do you think you need to start your own business?
  - Other supports or resources?

### Barriers

- 8) What challenges and/or barriers have you faced?
  - What sacrifices have you made along the way?

### Suggestions/Advice

- 9) Do you have any advice?
  - For other youth?
  - For services and industries supporting youth entrepreneurship?

## **APPENDIX C: KEY INFORMANT INTERVIEW GUIDE**

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1. How would you define entrepreneurship?  
How is it specialized?
2. What are the similarities between entrepreneurship and starting a business?  
What are the differences between entrepreneurship and starting a business?
3. How are the programs you are providing meeting the needs of youth?  
What supports do your programs provide?
4. Please describe some success stories.
5. What challenges and/or barriers have you faced in delivering these programs?  
What issues have faced along the way?
6. How would you describe the attitude among young people who are entrepreneurs?  
How has this attitude among young people changed from 10 years ago?
7. What advice you would like to share with funders?
8. What other suggestions, comments or thoughts do you have?