

# Response to the Enterprise and Business Committee inquiry into Youth Entrepreneurship

Committee Inquiry Response 2013

The Carnegie United Kingdom (UK) Trust welcomes the opportunity to respond to the Enterprise and Business Committee inquiry into Youth Entrepreneurship. The Trust works to improve the lives of people throughout the UK and Ireland, by influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913. We have chosen only to respond to the questions where we have experience and relevant evidence. Further information on our work is available on our website [www.carnegieuktrust.org.uk](http://www.carnegieuktrust.org.uk).

## Evidence base

In 2012, the Carnegie UK Trust published [Enterprising Minds](#), a UK-wide study into student attitudes to entrepreneurship, education and the future economy. The report focuses on how students view practical enterprise - starting a business or working self-employed - and the contribution that enterprise education makes to their understanding of the world of work.

In total, more than 1600 students took part in Enterprising Minds through 17 further education (FE) colleges across the UK. The findings provide a new picture of what 16-21 year olds across the UK think about working for themselves or starting a new business. With 45 questions producing more than 70,000 question responses, it is one of the most comprehensive studies of its kind to have been undertaken in Europe, and is believed to be unique in design and delivery in the UK. The findings from the peer-to-peer surveys and the electronic survey provide comparable data from the four jurisdictions of the UK. In Wales, 348 further education students were surveyed.

## Terms of reference

### 1. How effective is the Welsh Government's approach to promoting youth entrepreneurship?

The Carnegie UK Trust welcomes the Enterprise and Business Committee's inquiry into Youth Entrepreneurship. Below we have drawn on our research into youth entrepreneurship as a means of tackling youth unemployment, enterprise education in Wales and student attitudes to entrepreneurship.

#### Youth entrepreneurship as a means of tackling youth unemployment and inactivity

In Wales, as elsewhere in the UK, the need to create new opportunities for economic activity and employment is pressing. Tackling long-term unemployment amongst young people is as much a social need as it is a requisite of economic growth. The recent financial crisis has reinforced a long period of structural change in the national economy. The ability of very large, traditional employers to provide a dependable future for young people appears increasingly unrealistic, and an unlikely pathway to recovery. Young people are

expected to work in new environments and sectors for new and changing organisations, and to do so with greater flexibility. The younger generation needs the skills relevant to a changing economy, and the Welsh Government can help to address this need by continuing to invest in youth enterprise and entrepreneurship as part of its skills strategy.

### Enterprise education in Wales

One way in which the Welsh Government's approach to promoting youth entrepreneurship has proved particularly effective is through its investment in enterprise education, which has resulted in the majority of Welsh students having a positive attitude to entrepreneurship.

Over the last decade the Government has invested in expanding enterprise thinking in secondary education, and has been supported by highly innovative third sector partners such as Young Enterprise. In many areas the curriculum in Wales is now designed to ensure that an enterprise-focused interaction, either with school staff or an external facilitator or project, is delivered for every compulsory age pupil. Our research indicates that this investment is proving effective, as 56% of the Welsh respondents in our survey remembered participating in enterprise or business lessons or activities at school, above the UK average of 51%.

Our research suggests that the Government's investment in enterprise education also has an impact in the transition from school to FE and during students' time at college. In our survey, 40% of Welsh respondents remembered receiving information about enterprise or business activities available at different colleges before they applied; the highest percentage of students in any jurisdiction in the UK. Furthermore, during their time as a student, Welsh respondents were the most confident of students across the UK that starting a business or working self-employed had been specifically addressed by their college, with 53% agreeing that their college encourages them to think more about enterprise, compared to 37% UK-wide.

### Student attitudes to entrepreneurship

Our research study also examined student attitudes to entrepreneurship by surveying how far the students thought that enterprising people were admirable, aspirational and required for the national economy, and their position on setting up a business of their own.

Over half (51%) of Welsh correspondents agreed that they admired enterprising people, and 43% agreed that they aspired to be like them. Their importance to the Welsh economy was also recognised, with 52% agreeing that enterprising people are needed. On reflecting if entrepreneurship was an option for them personally, students in Wales were the most enthusiastic about starting their own business compared to others across the UK. 29% of Welsh respondents said that they were 'very interested' in starting their own business after leaving college, the highest percentage of students in any jurisdiction. Many of the students in Wales had given setting up their own business a great deal of consideration, with 40% responding that they are 'quite likely' to start their own business or to be self-employed at some point in their working life, building on their practical enterprise skills and experience. For example, 52% of students in Wales had experience of successfully transacting a sale through an internet site such as eBay or Gumtree and almost two-thirds had sold items face-to-face, either through formal work settings or through informal activity.

The Welsh Government has an opportunity to capitalise on the enterprise education that is embedded within secondary and further education in Wales, the positive attitude that Welsh students have to entrepreneurship, and their extra-curricular experience as a way to tackle youth unemployment and improve Wales' long-term economic prospects.

### **2. What steps can be taken to improve or strengthen support for potential young entrepreneurs in Wales?**

The Carnegie UK Trust welcomes the Enterprise and Business Committee's desire to strengthen

support for potential young entrepreneurs in Wales. Below we have outlined the recommendations that Welsh students provided in our research survey when asked what measures can be taken to improve support for enterprise education at college, from support within course settings to financial assistance after leaving college.

### Enterprise education and interaction at college

During their time at college, Welsh students expressed a desire for a greater focus on how to start a business as part of their course, more support from college staff, and more interaction with enterprising people. 48% of students in Wales agreed that students would benefit from more course time on how to start a business, while a quarter of respondents strongly agreed that advice from college staff on starting a business would be beneficial to students.

However, out of all the jurisdictions, students in Wales looked out with formal education settings and responded that they would most welcome the opportunity to meet with enterprising people, both to contextualise their course work and to provide examples of business success. 81% of respondents either strongly agreed or agreed that students would benefit from more talks with business people. 76% responded similarly that students would benefit from more interaction with social enterprise leaders. Such engagement with local entrepreneurs could be strengthened in Welsh colleges, as 42% of the respondents in our survey reported that they did not receive an invitation to an event at which they could interact with local business people on their college campus, or did not remember receiving such an invitation. However, interaction with the local business and social enterprise community has proved beneficial for students in developing their knowledge of entrepreneurship, as of the students who did attend such an event, the majority found it useful. The Welsh Government can therefore support potential young entrepreneurs by continuing to invest in enterprise education in FE, ensuring that business start-up is embedded in the curriculum of all courses and that funding remains available

for dedicated enterprise staff. Finally, to ensure that students have the opportunity to meet with business people and entrepreneurs, the Government can work with Colleges Wales to ensure that local business networks are developed and that all students are given the opportunity to attend events or seminars to interact with enterprising people, as part of the FE skills strategy.

### Funding for small business ideas and opportunities for practical enterprise

Our research clearly demonstrates that Welsh students are looking for opportunities to develop their practical enterprise skills and build on their retail experience and extra-curricular interests. Respondents in Wales came second only to their counterparts in Northern Ireland in strongly agreeing that students would benefit from funding to start up small businesses after college. However, many of the respondents in Wales were interested in experimenting with small business ideas during their time at college itself, with 42% agreeing that funding for facilities for new businesses at college would be beneficial to students.

The Welsh Government could therefore support colleges and organisations such as Young Enterprise to provide opportunities for young people to develop their practical enterprise skills. This may include student-led projects, competitions, and opportunities to design retail spaces with industry experts. One competition that the Government may wish to consider as an example is [TestTown](#) (Carnegie UK Trust, 2013). Through TestTown, the Carnegie UK Trust wants to find the next generation of ideas that will help to rebuild town centres as places to visit, shop in and live in. Teams of young people aged 16-30 from across the UK, from all education and employment backgrounds, are being invited to submit cutting edge new business and social enterprise ideas. The ten best ideas will be given a £1,000 grant and four weeks of support to help develop their ideas and to put these into practice in Dunfermline town centre in summer 2013. The winner of this national competition will be decided during TestTown week, with the winner being awarded a £10,000 prize.

The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913 and we are delighted to be celebrating our centenary in 2013. Please see our website for further information on our centenary plans.

**Andrew Carnegie House**  
**Pittencrieff Street**  
**Dunfermline**  
**KY12 8AW**

**Tel: +44 (0)1383 721445**  
**Fax: +44 (0)1383 749799**  
**Email: [info@carnegieuk.org](mailto:info@carnegieuk.org)**  
**[www.carnegieuktrust.org.uk](http://www.carnegieuktrust.org.uk)**

For more information please contact Lauren Pennycook at [lauren@carnegieuk.org](mailto:lauren@carnegieuk.org) or 01383 721445

April 2013



Carnegie United Kingdom Trust  
Scottish charity SC 012799 operating in the UK and Ireland  
Incorporated by Royal Charter 1917