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**New research finds early-stage training in entrepreneurship is key to increasing social mobility and saving UK’s young people from ‘dead-end jobs’**

New research which tracked the lives of 32 young entrepreneurs from socially and economically deprived communities, found three-quarters of them had more job satisfaction and income prospects than their peers with jobs.

**Level Up: Changing Lives through Enterprise**, a report from the youth enterprise charity Launch It and small business support network Enterprise Nation, followed the fortunes of young people who had started and built a business in areas with some of the highest poverty and unemployment rates in the UK.

It found that despite typically no recognition or encouragement to take this route throughout their education, few role models and limited investment opportunities, 81 per cent reported their finances were at least as good or better than before, 73 per cent said they had higher job satisfaction than their peers in work and those with more advanced companies studied as part of the research said they had provided employment opportunities for an average of 40 individuals in their community.

Launch It CEO Pat Shelley has called for the Government to take note and consider incorporating an enterprise training element into its £2bn Kickstarter plan to avoid ‘siphoning off’ those from the most hard hit areas into temporary low paid work.

He said: “Young people from deprived areas have always had the odds stacked against them and with rising unemployment in the wake of the pandemic, life will undoubtedly get even harder.

“While the new £2bn Kickstarter scheme is a welcome mechanism to tackle the wider issue of youth unemployment, it’s a blunt tool which is likely to siphon young people like those featured in this report into low-paid dead-end jobs.

“What is needed is a more considered approach that would equip and support more young people from minorities and deprived communities to follow a passion and build a long term career for themselves. Funnelling investment into enterprise and opportunity - with advice for starting and growing a business, grants and on the ground support in deprived areas -  would help more truly remarkable businesses get off the ground and effectively tackle the worrying wealth gaps in our society.”

James Daly, Conservative MP for Bury North and Chair of the APPG for Youth Employment, said: “As a result of COVID-19, we will have at least a million young people unemployed.  Many have the skills, aspiration and determination to set up a business but sometimes they don’t believe they can do it.  I believe there is a huge opportunity for Government and local groups to target support to these young people, for example investing in empty buildings to give entrepreneurs rent free opportunities, mentoring and peer to peer networking opportunities to get started and establish their business without the prohibitive costs they normally face for many years.

“Covid’s been an awful thing for the country, but it also provides a number of economic opportunities because we have to do things differently to achieve better outcomes and the old ways of doing things are, I’m afraid, coming to an end.”

Emma Jones, founder Enterprise Nation, said: “This report demonstrates that entrepreneurship impacts equality, social mobility and the earning potential of young people from deprived areas and diverse, often BME, backgrounds as well as delivering a boost to their local economy and community.

“The really shocking reality this report brings to light is that our education system prepares our young people only for the world of employment, and the options for them there are mainly low-skilled and low-paid. If we could only instil entrepreneurial ambition and expectation in these young people earlier at school, via relatable role-models and training; throw open unused high street spaces for them to work from and encourage them to create and participate in like-minded peer networks, we would be empowering more young people to fulfil their potential – and that has never been more important than now with so many young people losing their jobs and having education plans scrapped.”

Mickela Hall-Ramsay started the award winning social enterprise, HR Sports Academy in 2008 when she was 21.  She had been motivated by the rise in youth crime and cuts to youth services she saw in Tottenham. Her business has touched the lives of 40,000 young people in the local community and she now employs 16 people, many of whom have come through her own programmes.

She said: “Running a business has given me fulfilment, confidence and a strong business network. I have gained many skills over the years. I have learned the importance of stepping out of your comfort zone, taking up opportunities, getting mentored as well as mentoring. Everyday my aspirations increase based on the people I meet and the events I attend as a result of running the business.”

One thing that unites these young people is that unlike many entrepreneurs that spot an opportunity or a gap in the market, the start-up experience of those featured in the report were limited to their existing skills or previous experience.

Sam Beadle, 25, grew up in Abridge in Essex before moving to London at the age of 17 to become hairdresser. But he went from there to pursue a career in a very niche industry - wig-design and making for shop window mannequins. After working in the industry for four years, he lost his job and made the decision to set up his own wig design and mannequin make-up firm Peluca Studio. But it wasn’t easy.

Sam said: “A few people had said to me I should set up my own studio but I always told myself I didn’t have a clue how to run a business. It wasn’t until I was forced into it that decision that I actually did it.

““To start with, I felt I didn’t have a clue what I was doing. I wasn’t taught anything about running a business at school. I’d never sent an invoice in my life. However, when I started I realised that most people have no clue and there is no right time to start a business. It’s full of trials and tribulations but eventually you find your own way. I firmly believe that no two businesses run exactly the same.

 “The interesting thing is that now I absolutely love running a business and doing the business side of things as well as designing and making and if I’d been taught about this element at school, I might have set up my own studio sooner and with more confidence.”

Sam works in Seven Sisters in Tottenham, in two incubator units run by Launch It. He has worked with several freelancers to complete work contracts and is about to take on his first trainee wig-maker.

For many of the young people studied, working from home was not always an option, so providing subsidised spaces in their own community was more important.

Networking and a lack of relatable role models with a variety of backgrounds, nationally was also seen as an issue.

Comments recorded during a focus group included: “In Tottenham, I can walk down the street, go to the local shop, where a black person is running a business - we feel like we are doing something; but when you go to the City, you see the person in a retail shop or cleaning - we’re not shown in the best light.”

Rita Madu-West, now 30, founder of Afro-Caribbean catering firm Deo Catering in Camberwell, set up the firm after a series of uninspiring part-time jobs.

She said: “Starting a business has caused a positive domino effect in my life and in the business, that I am passing on to the community as well. They need it. In my business, eight out of 10 of my employees are young people from London.”

Finally an entrepreneurial apprenticeship was also suggested as something that would have helped to get these young people off to a solid start.

Nathan Ghann, now 33, co-founder of student support provider The Educate Group Ltd based in Haringey, said his first taste of entrepreneurship was watching Dragon’s Den.

He said: “If I was 16, I would probably have gone down the route of an apprenticeship in entrepreneurship. When I was 16, it was the Dragon’s Den era and that was my first understanding of entrepreneurship.

“If there had been an apprenticeship where you could sit with a business owner and your sole purpose was to understand their perspective and how they deal with the challenges, I would definitely have done that for two years of my life.

“Even if I hadn’t run my own business, that kind of experience can create great ‘intrepreneurs’ and I think that’s often something we miss sometimes.”

The report has also made recommendations to influence policy.

**Recommendations:**

* Acknowledge and use entrepreneurship as an effective tool to bridge the inequality and wealth gaps in the UK. The individual, community and societal benefits are clear. Young successful entrepreneurs provide multiple paid opportunities, inspiration and social impact in their communities. Any organisation that aims to tackle social inequality should promote entrepreneurship as a truly effective way to bridge the wealth gap in the UK.
* Entrepreneurship must be included as a valid option alongside employment during transitional life stages such as leaving school and college, or when looking for work. School, college or universities offering career fairs, career counselling and job centres advisors should promote entrepreneurship as a positive career choice and point young people towards relevant training to get started.
* Local authorities should prioritise offering underused community buildings and spaces, to charities and business support groups that help entrepreneurs. In addition, spaces dedicated to business support in deprived communities should be exempt from business rates and high rents by local government to ensure support remains affordable. Affordable working space provides significant support during early business journeys, most notably helping with work-life balance, shifting mindset towards taking the business venture more seriously and stimulating business growth.
* Targeted business support is crucial in helping young entrepreneurs from economically challenging backgrounds overcome some of the most common challenges. This should be central to the economic plan for boosting income-deprived neighbourhoods across the UK.
* Micro-grants should be made available to under-represented entrepreneurs together with education about financing and debt management to increase options available.
* Entrepreneurship skills are transferrable and very important for future of work, so should be included in the mainstream curriculum. Apprenticeship levy rules should include entrepreneurial apprenticeships for those interested in more formal qualifications. Central government, Local Enterprise Partnerships and businesses through their CSR programmes should prioritise skills training and mentoring for entrepreneurs from economically challenged backgrounds.
* Business groups or networks that organise business events should more proactively try to attract a community of entrepreneurs from all ages and backgrounds bearing in mind location and inclusivity.

ENDS

**About the research**

The researchers held four focus groups with 20 participants and conducted 12 semi-structured additional interviews with entrepreneurs from all Launch It centres across the country. Out of all the participants we spoke to, 45% were male and 55% female aged between 18- 30 years old. Additionally, a survey of 26 entrepreneurs was conducted.

The research participants have a range of experiences, from having launched their business just weeks prior to the conversation to having successfully run their business for a decade. 19% of participants have been running their business for under a year and 42% between 1-2 years – these business owners are the current participants of the Launch It programme. Another 23% of founders have launched their businesses 3-4 years go, and 16% have been in business for 5 years or longer – these are the alumni of the Launch It support programme.

**About Launch It**

The charity’s mission is to empower young people, aged 18-30, to fulfil l their potential by providing the workspace, mentoring and training needed to start a business.

Our objective is to help more young people in deprived areas to start businesses whilst transforming their chance of success.

At the heart of the Launch It concept are our enterprise centres, where our clients collaborate and support one another, turning what can be a lonely experience in to a shared one. From these centres we offer affordable workspace combined with intensive mentoring and training on a 2-year programme. Our units come at a highly subsided rent without any long-term contracts, allowing clients to start building their businesses without taking on unnecessary financial risks.

Each centre has an Enterprise Manager who nurtures talent and provides bespoke business and personal support. We also work with other organisations to provide long term mentoring and skills training, as well as Dragon’s Den programmes where young people can pitch for funding.

Key achievements:

* +  Empowering over 1700 young people to start and grow a business and providing enterprise skills and training to over 11,000
* +  Consistently helping young people to start businesses that last; 66% of those we support are still trading after 5 years, compared with the national average of 44%
* +  UK expansion as a social franchise; in 2018, Launch It opened a new enterprise centre and charity in Dundee and in 2020 we will launch Start Up Street in Paisley
	1. **About Enterprise Nation**
		+ 1. Enterprise Nation is a small business network and business support provider. Its aim is to help people turn their good ideas into great businesses – through expert advice, events, acceleration, diagnostics and networking. Enterprise Nation was founded in 2005 by [Emma Jones MBE](https://www.enterprisenation.com/about-emma-jones), also co-founder of national enterprise campaign StartUp Britain. She is author of best-selling business books including [Spare Room Startup](http://www.amazon.co.uk/Spare-Room-Start-Up-Business/dp/1905641680), [Working 5 to 9](http://www.amazon.co.uk/Working-Start-Successful-Business-Entrepreneurship/dp/1906659680), [Go Global](http://www.amazon.co.uk/Go-Global-Take-Business-World/dp/1908003006), [Start a Business for £99](https://www.enterprisenation.com/blog/posts/start-a-business-for-99-released-today) and the [StartUp Kit](http://www.harriman-house.com/book/view/465/business/emma-jones/the-startup-kit/), [Going for Growth](https://www.enterprisenation.com/books/going-for-growth).  In 2018, Richard Harpin, the entrepreneur behind global home emergency repair firm Homeserve, invested in the company as part of a drive to create a ‘more entrepreneurial Britain.’