

Entrepreneurial dreams amid global crisis



A global survey makes clear that the pandemic has reshaped young people's career goals and financial concerns

Written by:

**ECONOMIST
IMPACT**

Foreword

Since 2015, we have aligned to the vision of the United Nations Sustainable Development Goals, of which SDG 8 ‘decent work and economic growth’ is a key focus area. In order to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*” Meta has championed the advancement of economic opportunities for the 200M+ businesses we serve on our platform. We do this by supporting digital access for all, boosting liquidity to diverse businesses, and addressing youth unemployment.

One of the chief concerns arising from the covid-19 pandemic is around its impact on young people. Young adults, in particular, have adapted to the change in the economic landscape of this global crisis in a way that has shifted a generation’s traditional career trajectories towards entrepreneurship. As businesses rebuild the economy against the pandemic backdrop, we wanted to understand what drivers most impact youth in pursuing their career aspirations.

With the support of Meta, Economist Impact surveyed 3000+ GenZers and Millennials globally, to understand the impact of covid-19 on entrepreneurship and employment perspectives. We wanted to explore how businesses can support the next generation of entrepreneurs, and underscore the importance of young peoples’ voices in this dialogue.

With this research, we identify the factors driving young people toward (or away from) entrepreneurship in a time of prolonged crisis—and to surface implications and recommendations. Our goal is to provide businesses and leaders with the tools to foster youth entrepreneurship and employment as we build back better.

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*“Goal 8” by the United Nations Department of Economic and Social Affairs, 2021.

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About this report

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Acknowledgements

This report is written by Economist Impact, and sponsored by Meta. Economist Impact conducted desk research, and designed and deployed a survey of 3,000+ people aged 18-40 (Millennials and Gen Z) across five countries—Australia, Brazil, Germany, India and the US to explore the attitudes and motivations of young people as they navigate their careers. The report also provides practical implications to business leaders and policymakers on how to promote entrepreneurial aspiration of young adults. Economist Impact bears sole responsibility for the content of this report. The findings and views expressed herein do not necessarily reflect the views of the partners and experts.

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While **76.9%** of surveyed young adults aspire to own or establish a business, only **8.7%** currently describe themselves as entrepreneurs.

Executive summary

Although young adults have, in many ways, borne the brunt of covid-19's economic consequences, the impact of the crisis on their career aspirations is not fully understood. To address this, Economist Impact developed a research programme supported by Meta to identify the factors driving young people towards (or away from) entrepreneurship in a time of prolonged crisis, and surface the implications for business leaders and policymakers. Economist Impact designed and deployed a survey of 3,000+ people aged 18-40 (Millennials and Gen Z) across five countries—Australia, Brazil, Germany, India and the US. A large global gap between entrepreneurial aspirations and reality emerged. While 76.9% of surveyed young adults aspire to own or establish a business, only 8.7% currently describe themselves as entrepreneurs. A variety of factors appear to be contributing to this gap, including work-related anxiety, inequalities and a lack of financial resources.

Economic anxiety in a time of crisis is shaping young adults' career goals and choices.

Nearly three-quarters (72%) of survey respondents agreed that it was more difficult for their generation to find employment compared with previous generations, while two-thirds (66%) said the same regarding starting a business. Pandemic-related challenges and uncertainty may be driving up risk-aversion, causing people who aspire to become entrepreneurs to instead enter the traditional labour market. Accordingly, companies should capitalise on employees' entrepreneurial spirits by offering "intrapreneurship" opportunities, an organisational arrangement allowing employees to act as entrepreneurs and take initiatives that create value, while governments could

expand social programmes in an effort to reduce workers' anxiety and enhance professional fulfilment.

Entrepreneurial aspirations are more common in countries where young people face higher unemployment.

Weak job markets are likely to be elevating entrepreneurial aspirations and necessity entrepreneurship among young people in Brazil and India, although other factors predating the pandemic are also at play. Most notably, more than 80% of early-stage entrepreneurs in these countries 'somewhat' or 'strongly' agreed that their motivation to launch a business was to "earn a living". Nonetheless, people who are entrepreneurs by necessity might not be equipped to sustain a business and would probably reassess their career options if traditional employment were available. In this regard, businesses could cultivate these growing entrepreneurial aspirations by supporting newly created enterprises via business incubators and skill-development efforts.

Gender, education and income inequalities stand in the way of entrepreneurial aspirations.

Young women were less likely to aspire to become entrepreneurs, partly discouraged because of structural social challenges and a lack of role models. Worryingly, the established business ownership rate was roughly twice as high among men than women across our surveyed countries. Similarly, young adults without a university degree had lower entrepreneurial aspirations and were less optimistic about the current job market. Businesses can act in a variety of ways to address these structural inequities; for example,

de-emphasising university degrees as a job requirement or focusing on cultivating the next generation of women leaders through intrapreneurship programmes, in-house incubators or venture capital funds.

Young people feel prepared to succeed but lack the financial resources to make a head start.

The most common barrier to entrepreneurship cited by survey respondents, regardless of income level, was a lack of financial resources. About two-fifths (43%) of aspiring entrepreneurs perceive a lack of financial resources as the main institutional barrier to becoming an entrepreneur, and more so than current entrepreneurs (32%). Indeed, aspiring entrepreneurs might not have access to financing on a large scale, lack access to personal capital from friends and family, or are not willing to take additional risks. One implication for businesses and governments would be to expand and raise awareness about various financial products and incentives specifically designed to help women and low-income individuals.

Introduction

The covid-19 pandemic devastated the global economy in 2020, and scars from the crisis will likely persist throughout this decade. Lockdowns and other restrictions imposed by governments to prevent transmission of the virus varied by country, but together these public health policies triggered the worst global recession since World War II and the loss of about 500 million jobs at the height of the pandemic in the second quarter of 2020.¹ This represents a significant setback for the UN's 8th Sustainable Development Goal, which aims to promote "full and productive employment and decent work for all". For young adults, the severe recession and subsequent halting economic recovery have proven especially challenging. An International Labour Organization (ILO) report published in 2020 found that the pandemic's impact on young adults was "systematic, deep and disproportionate".² While the global economy has rebounded faster than expected in 2021, with employment levels normalising in many countries, the crisis appears to have left lasting marks on the employment prospects and preferences, as well as entrepreneurial inclinations, of many young adults.

It is often assumed that young adults—which this report defines as aged 18 to 40—can leverage digital and entrepreneurial skills to capitalise on long-term trends reshaping work, such as digitalisation, distributed workforces and flexible hours. However, young adults' voices are often left out of the conversation about the future of work. This comes despite the fact that both business efforts to attract and retain talent, as well as government efforts to support entrepreneurship, must be aligned with young adults' hopes and needs to truly succeed. In order to elevate young adults' voices, Economist Impact developed a research programme, supported by Meta, that explores the impact of covid-19 and other long-term

trends on the career goals and entrepreneurial aspirations of younger generations (Millennials and Gen Z). Economist Impact designed and deployed a survey of 3,000+ people aged 18-40 across five countries—Australia, Brazil, Germany, India and the US—to shed light on key factors driving young people towards (or away from) entrepreneurship.

The survey found a large gap between aspirations and reality. While 76.9% of young adults aspire to own or establish their own business, only 8.7% currently describe themselves as entrepreneurs. The survey revealed key factors contributing to both entrepreneurial aspirations and actions, and career goals:

- 1. Broad economic anxiety across geographies.** This renders young adults more risk-averse, pushing them away from entrepreneurial activities and towards traditional employment.
- 2. High levels of unemployed young adults.** Higher levels of necessity entrepreneurship are seen in countries with higher jobless rates in this age group.
- 3. Inequalities related to gender, education and income.** These pose barriers to high-potential entrepreneurs, constraining aspirations and ambitions.
- 4. Lack of financing.** Although young adults have the necessary skills to become entrepreneurs, a lack of financing—whether real or perceived—remains the key barrier.

Drawing on both original survey data and other global research, this report delves into these factors and offers insights that can assist leaders of businesses and governments as they work to help young people fulfil their potential while spurring innovation and economic growth in the coming years.



Nearly **three-quarters** (72%) agreed that it was more difficult for their generation to find employment compared with previous generations, while **two-thirds** (66%) said the same regarding starting a business.

An age of anxiety

Pandemic-related economic challenges may have long-lasting effects on young adults' career goals and choices.

Mass layoffs. Social isolation. Pervasive, sustained uncertainty. Around the world, the covid-19 pandemic brought significant challenges to people's wellbeing. Infection rates and government responses varied across time and space, but elevated levels of stress, anxiety and depression were observed globally regardless of the number of local covid-19 cases. Young people were more likely to experience these symptoms.³

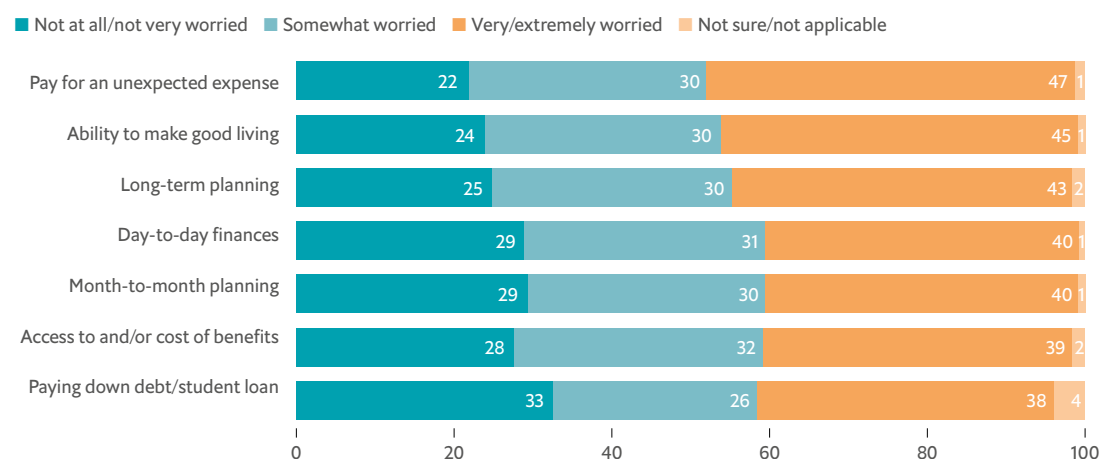
Young entrepreneurs and young people with entrepreneurial aspirations had good reason to worry in 2020. The pandemic had a devastating impact on small businesses and represented a major setback for entrepreneurs around the globe. In most OECD countries, business creation was negatively impacted during the early stages of the pandemic, coinciding

with many lockdown measures.⁴ A number of European countries, as well as Australia and Canada, witnessed a reduction in business creation ranging from about 5% (Australia and Canada) to as high as 35% (Portugal) during the first half of 2020, compared with the same period in 2019. Aside from Italy, Portugal and Spain, most of these countries reported a recovery, with business creation levelling off close to 2019 levels by end of year.⁵ Similarly, the 2020-21 Global Entrepreneurship Monitor (GEM) survey of 43 countries shows that respondents were more likely to know an entrepreneur who stopped their business than one who started a business due to the pandemic.⁶

Despite rebounding economies in late 2020 and 2021, one key finding of the Economist Impact survey sounds a clear downcast note: a large majority of respondents perceive the pandemic as making it more difficult to find employment and start a business. And most surveyed young adults appear to carry a sense of generational

Figure 1
A majority of respondents were at least 'somewhat' worried about various aspects of their financial wellbeing.

Share of respondents saying they are 'not at all/not very', 'somewhat' or 'very/extremely' worried (%)

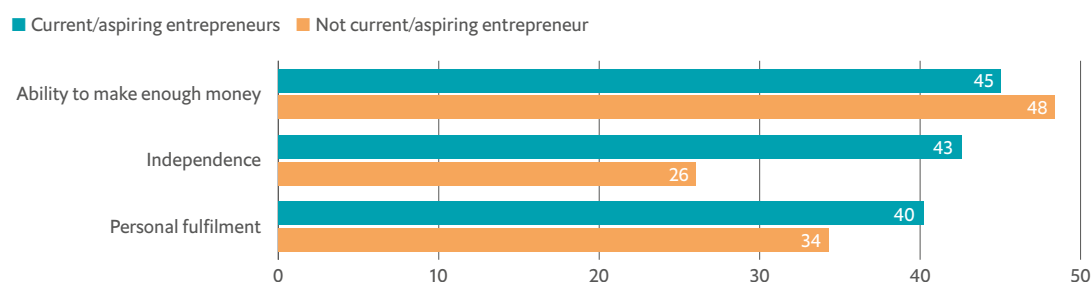


Source: Economist Impact

Figure 2

Aspiring entrepreneurs rank the ability to make money as the top priority influencing their career, above personal fulfilment and independence.

Top three considerations influencing your decision-making processes as it relates to your job or career? (% of current/aspiring entrepreneurs vs not current/aspiring entrepreneurs)



Source: Economist Impact

bleakness. Nearly three-quarters (72%) agreed that it was more difficult for their generation to find employment compared with previous generations, while two-thirds (66%) said the same regarding starting a business. For many, this pessimism may be born from personal experience. An OECD report published in July 2021 noted that 51% of surveyed 18-29 year-olds said either they or a household member had experienced job-related disruptions (eg, job loss, pay cut, reduced hours) since the start of the pandemic, compared with 46% among 30-49 year-olds and 37% among 50-64 year-olds.⁷ Similarly, our survey found that 15% of respondents, excluding students, had lost their job due to the pandemic, and nearly a quarter (23%) said they had taken an additional job for supplemental income due to the crisis.

Another important finding of the survey is that financial anxiety across surveyed countries appears to be reshaping career aspirations and perceptions of entrepreneurship. An alarmingly large majority of respondents indicated a range of anxieties in the survey, spanning short-term and long-term financial issues, from healthcare

benefits to retirement. More than two-thirds of all respondents (70.5%) said they were either “somewhat” or “very/extremely” worried about day-to-day finances. And more than three-quarters (76.8%) felt the same levels of anxiety about their ability to pay for an unexpected expense—with nearly half of respondents (46.8%) saying they were “very/extremely” worried about this. Similarly, three-quarters of respondents expressed worry about their ability to make a good living.

These findings align with other recent research. Sixty-three percent of young people in OECD countries are concerned about their household’s finances and overall social and economic wellbeing, the OECD report found.⁸ Significantly, the report also noted that even in countries where job loss rates and related financial difficulties were relatively low, young people are still worried. For example, while roughly 30% of young people aged 18-29 reported any form of job-related disruption in Belgium, about half mentioned they were ‘somewhat’ or ‘very’ worried about their household finances. While the Economist

Impact survey did find differences in anxiety levels among young adults across countries, the picture that emerges from their responses should concern business and government leaders, and inform their policies and decisions. There appears to be a broad generational malaise that crosses borders, likely borne of the pandemic and its many disruptions.

When financial concerns are high, money is more likely to be the main consideration for pursuing a career, the survey found. That has implications for career decisions. Pandemic-related challenges and uncertainty may be driving up risk-aversion, causing some young people who aspire to be entrepreneurs to instead seek more stable traditional jobs.

Implications for decision-makers

Companies should recognise and capitalise on prospective (and current) employees' entrepreneurial spirits, offering opportunities and roles that promote individuals' sense of independence. This appears to be a particularly unmet need among survey respondents; the divide between those who aspire to be entrepreneurs and those who do not is largest among those who said "independence" was a factor influencing their career choices (43% versus 26%). Opportunities for intrapreneurship, an organisational arrangement allowing employees to act as entrepreneurs and take initiatives that create value, could effectively channel entrepreneurial spirit in ways that benefit both the employee and the business.

Young adults' desire to find personal fulfilment and flexibility in jobs and careers could represent an opportunity for businesses, especially in low-wage industries like retail (eg, food services and stores) to explore more flexible ways of working. For example, businesses could permit employees to work a certain number of hours outside of traditional work hours or create rules around supporting employees to take time to care for family, to provide better work-life balance. A number of US states and cities have passed "fair workweek" laws.⁹ Such flexibility, as well as wider availability of affordable childcare and paid family and medical leave, could reduce workers' stress and increase professional fulfilment. That, in turn, could lead to stronger labour markets and levels of productivity.

A woman with long dark hair, wearing a light green dress and a gold watch, stands with her arms crossed. A yellow measuring tape is draped around her waist. She is smiling slightly and looking towards the camera. The background is a blurred clothing store.

The jobless rate for 15-24-year-olds rose to 31.3% in Brazil in 2020, **more than twofold** that in the three surveyed industrialised countries, and amounted to 19.8% in India during that same year.

Global crisis, local impacts

Entrepreneurial aspirations are more common and necessity entrepreneurship is more likely in countries experiencing higher youth unemployment.

In the face of a once-in-a-century pandemic that spread globally with unprecedented speed, governments chose to deploy, or even forgo, a range of policies striking a balance between protecting public health and people’s livelihoods. The duration and intensity of lockdowns varied, as did the scope and generosity of unemployment insurance programmes, cash relief and job retention programmes. Despite broader support for entrepreneurs in Australia, Germany and the US, our survey found that entrepreneurial aspirations among young adults were significantly higher in Brazil and India (see Figure 3). The percentage of respondents describing themselves as current entrepreneurs was also highest in these two countries.

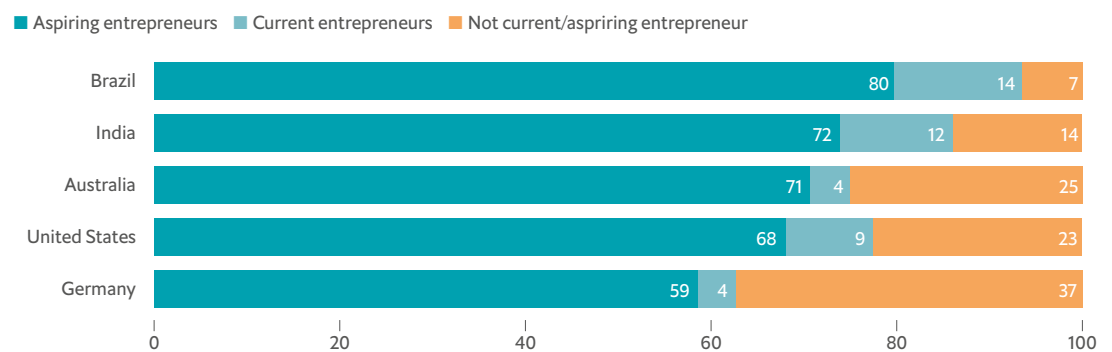
The high levels of entrepreneurial aspirations

seen in India and Brazil are encouraging at first glance. More young adults in these countries may have decided to pursue a business dream during the pandemic, contributing to booming entrepreneurial ecosystems.¹⁰ But launching a business is difficult even in normal times, and any pandemic-related uptick in start-ups will not necessarily translate into an explosion of successful businesses.¹¹ For example, in 2018 only 6% of those involved in early-stage entrepreneurship in Brazil expected to create six or more jobs within their organisation in the next five years, compared with an average of 24% among OECD countries.

A confluence of factors, some predating the pandemic, were likely driving Brazil and India’s outlier status in this regard. These include strong entrepreneurial cultures¹² and high youth unemployment rates.¹³ The jobless rate for 15-24-year-olds was already significantly higher in Brazil and India before the pandemic; it rose to 31.3% in Brazil in 2020, more than twofold that in the three surveyed industrialised countries, and amounted to 19.8% in India

Figure 3
A majority of respondents aspire to become entrepreneurs, with noticeable differences among countries.

An entrepreneur is someone who owns or establishes a business. Do you aspire to become an entrepreneur? (% of respondents)



Source: Economist Impact

during that same year. Weak job markets for young people are likely elevating entrepreneurial aspirations and necessity entrepreneurship. According to the 2020-21 GEM survey, 62% of respondents in India said they knew someone who started a business during the pandemic, while in a number of countries in Europe and North America, less than 10% of respondents said the same thing. Given that more than 80% of early-stage entrepreneurs in India and Brazil 'somewhat' or 'strongly' agree that their motivation to launch a business is to "earn a living",¹⁴ the surge in business activity in these countries likely stems from necessity. In Brazil, an estimated 3 million people started a business during the pandemic, a majority of whom were low-income and have low levels of education.¹⁵

Moreover, the OECD partly attributed the swift recovery of start-up launch rates in 2020 to a rise in "necessity entrepreneurship".¹⁶

Given Brazil and India's higher levels of youth unemployment and poverty relative to other surveyed countries, it makes sense that respondents in these two countries were more likely to have started an additional job for supplemental income during the pandemic. Thirty percent of Brazilian respondents and 35% of Indian respondents, compared with an average of 17% across the remaining three countries, said they had done this. It's likely that many young adults' entrepreneurial aspirations in Brazil and India primarily stem from a lack of traditional jobs and adequate income.

Implications for decision-makers

Businesses could cultivate these growing entrepreneurial aspirations by supporting newly created enterprises. The private sector could support the bustling start-up ecosystem in countries like India and Brazil through business incubators and skill-development efforts. Young people in these entrepreneurial ecosystems are eager to learn and are exploring alternatives to traditional education. In fact, more than half (57%) of Brazilian respondents to the Economist Impact survey 'completely' agree that they had participated in online education or courses to improve their professional skills, compared with 48% of respondents in India, 41% in the US, 40% in Australia and 32% in Germany.

Successful businesses are built around new ideas or solutions to specific market challenges. However, necessity entrepreneurs are not necessarily equipped to grow a business. People in this category would probably reassess their career options if traditional employment were available and could fulfil their personal goals. Growing entrepreneurial aspirations across the world can be a symptom of needs unmet by employers—adequate income, flexibility and fulfilment, for example. In an ideal world, which the pandemic has rendered further out of reach, businesses and governments would meet young adults' basic needs while supporting the entrepreneurial dreams of people who have what it takes to start a successful business.

81.7% of people with a university degree aspire to become entrepreneurs, compared with **70.9%** of people without one.



Inequalities and entrepreneurial aspirations

Growing gender, education and economic inequities are standing in the way of young adults’ entrepreneurial aspirations.

It has been widely noted that the pandemic has had a disproportionate effect on marginalised communities and vulnerable populations.¹⁷ Income disparities—as well as education level, gender and job availability—all play a role in young people’s ability to fulfil their entrepreneurial aspirations. Our survey sheds light on how variables such as gender and income relate to overall outlooks on the future.

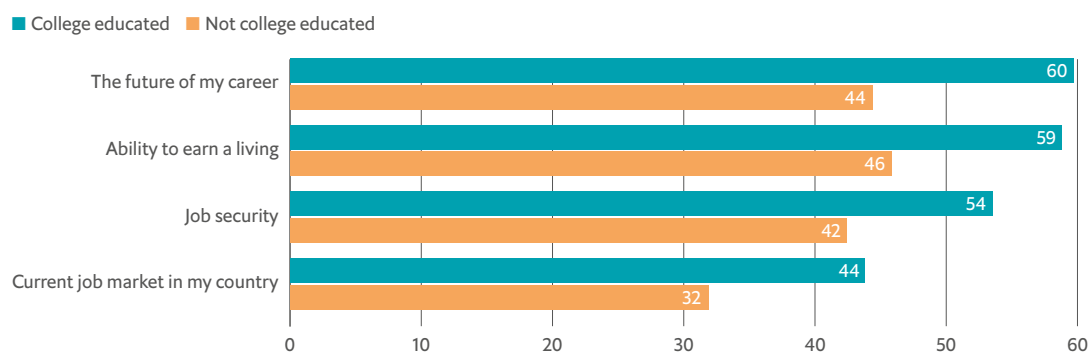
Earlier research by other global organisations has shown the link between income and career goals. For example, according to the school-to-work transition surveys collected by the ILO in 32 developing countries from 2012 to 2015, lower-income students tend to prefer public-sector employment and show less interest in self-employment. Being a woman increases preference for the public sector and high-skilled occupations, while similarly reducing

interest in self-employment, the ILO found. Moreover, its surveys found that the mismatch between “career aspirations and the reality of the labour market” among young people with a university degree is less pronounced in advanced economies with better job opportunities.¹⁸

Economist Impact survey findings confirm that income differentials and gender influence young adults’ career aspirations and outlooks. For example, 82.3% of people with higher median incomes—who are more likely to have savings enabling them to take risks—aspire to become entrepreneurs, compared with 75.3% of people with lower incomes. A similar difference was seen with gender and entrepreneurial aspirations: 82.2% of men reported such aspirations, compared with 72.0% of women. And while survey results showed women are as confident as men in terms of having the necessary skills to pursue a career in their preferred field, they also revealed that an aversion to risk might be preventing women from starting their own business. About four in five (81.2%) surveyed young women who do not

Figure 4
University graduate respondents were more optimistic about various aspects of their career.

Share of respondents with and without a university degree who were “very” or “extremely” optimistic about the following.
(%)



Source: Economist Impact

aspire to become entrepreneurs 'somewhat' or 'strongly' agree that they prefer the 'stability' of traditional employment over the potential 'risks' associated with becoming an entrepreneur, compared with 72.1% of young men, which might reflect structural societal biases against women.

Part of what may be discouraging women from becoming entrepreneurs is a lack of role models. The fact that the established business ownership rate is roughly twice as high among men compared with women in Brazil, India, Germany and the US, according to the GEM report, is concerning.¹⁹ This dynamic, common around the world, presents the risk that current entrepreneur gender disparities are reproduced across generations. Indeed, research has shown that people embarking on careers tend to do what they see people like themselves doing.²⁰

Another fault line that emerged in our data across all surveyed countries concerns the individual's education level. For example, 81.7% of people with a university degree aspire to

become entrepreneurs, compared with 70.9% of people without one. Furthermore, university graduate respondents were more optimistic about their career, and also reported higher levels of wellbeing. One question asked people how optimistic they were about the current job market and other economic factors. Responses showed large differences between respondents with and without a university degree.

Moreover, professional networks play an important role in people's career aspirations.²¹ However, access to these networks remain unequal between low- and high-income households. In fact, 61.1% of people above the median income level are satisfied with their professional networks compared with only 45.8% of people below this threshold. These networks might give people above the median income level a broader set of professional opportunities. In fact, 61.3% of people above the median feel they have the freedom to do what they want professionally compared with 47.3% of those below the median.

Implications for decision-makers

In many parts of the world, the covid-19 pandemic has amplified pre-existing inequalities. But it has also demonstrated the unique power of businesses and governments to act forcefully in ways that bridge public health and economic divides. Economist Impact research findings point to ways the private sector can act to address inequities with reference to entrepreneurial aspirations and activities.

More specifically, business leaders could redesign hiring practices so that talented young people without university degrees are not systematically filtered out. University degrees should not necessarily be the key qualifying indicator for jobs, and there is a need to create ways to recognise talented young people who have not earned university degrees, facilitate their entry into the workforce and provide avenues for their professional growth (eg, remove university degree requirement for entry-level positions or provide apprenticeships with on-the-job training).

Businesses can also play a key role in creating a pipeline of entrepreneurial talent and ventures. By cultivating young talent and encouraging the creation of new enterprises (whether through intrapreneurship programmes or in-house incubators), established enterprises can foster innovation and the next generation of successful entrepreneurs that help to power economic growth in the decades to come. Moreover, leaders of venture capital funds could also increase funding for women-led start-ups, for example.

About two-fifths (43%) of all Economist Impact survey respondents identifying as aspiring entrepreneurs perceive **a lack of financial resources** as the main institutional barrier to becoming an entrepreneur



Institutional and financial barriers to entrepreneurship

Young people feel prepared to succeed but the lack of financial resources—whether real or perceived—makes it challenging to make a head start.

About two-fifths (43%) of all Economist Impact survey respondents identifying as aspiring entrepreneurs perceive a lack of financial resources as the main institutional barrier to becoming an entrepreneur, and more so than current entrepreneurs (32%). Although the vast majority of aspiring entrepreneurs said they had access to at least some financial products (eg, bank accounts, loans, insurance and lines of credit), this appears insufficient given this common perception. Aspiring entrepreneurs might not have access to financing on a large scale, which is typically offered by venture capitalists, lack access to personal capital from friends and family, or are not willing to risk bankruptcy. Lack of government support and expertise were less likely to be viewed as significant barriers to fulfilling their entrepreneurial aspirations.

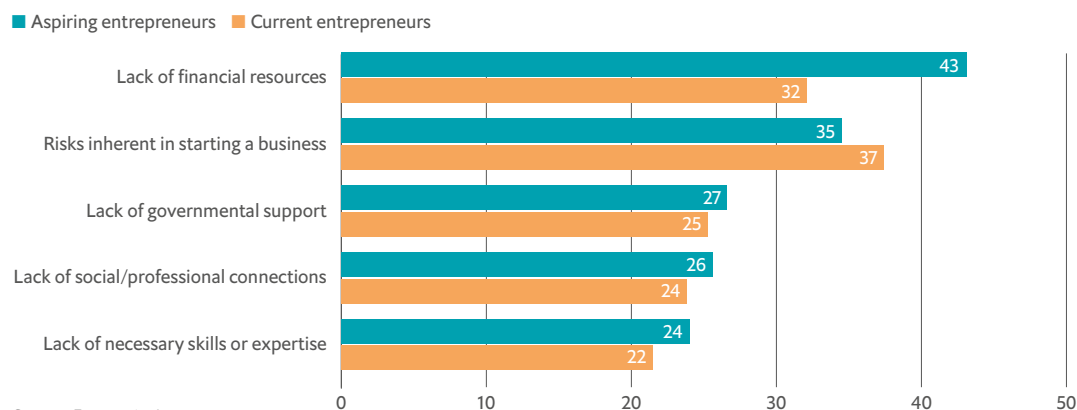
Perhaps surprisingly, regardless of their income level, respondents had similar perceptions of a lack of financial resources being the major barrier to entrepreneurship. (Thirty-eight percent of those with above-median income and 45% of those with below-median income felt this way.) One explanation: wealth, rather than income, might be a better predictor of perceptions of financial obstacles when it comes to entrepreneurship.

Encouragingly, a large majority (78.2%) of respondents who aspire to become entrepreneurs agree that they have the necessary skills to manage their business’ bookkeeping or financial accounting. A similar majority (79.0%) agree that they have a simple business strategy that supports prospecting for new customers and cost reduction.

The survey also asked aspiring entrepreneurs to identify the main institutional factors motivating them to start a business. The top responses underscored the crucial role that governments, professional networks and educational resources play in supporting and incentivising

Figure 5
Lack of financial resources and risks are the most significant barriers to entrepreneurship.

Top 5 barriers to becoming an entrepreneur. (% of aspiring entrepreneurs vs current entrepreneurs)



Source: Economist Impact

entrepreneurship. Ease of doing business—such as paying taxes, enforcing contracts and access to basic infrastructure—was the top factor (40.0%). Access to professional networks

(37.9%), educational opportunities (37.1%) and the availability of financial incentives (36.7%) such as tax breaks, government grants and low interest rates closely followed.

Implications for decision-makers

Many young adults worry about a lack of financial resources and government support, and point to the ease of doing business as a crucial determinant for their ventures. Accordingly, governments around the world should expand and raise awareness about existing programmes offering financial products and incentives designed to facilitate the creation of new enterprises. And they could promote these programmes to young adults, especially women and low-income individuals. Governments could also streamline registration and consolidation of new enterprises, and promote entrepreneurship by improving regulations in ways that reduce the costs of launching and operating a business.

Indeed, a streamlined business environment and financing from the private sector and governments both constitute powerful forces that can significantly reduce the cost of an entrepreneurial venture. If governments and businesses are contributing enough to these efforts, they could ultimately be the main drivers behind increased entrepreneurship among young people. Institutional efforts can drive entrepreneurship among young adults. However, as too many entrepreneurs have learned the hard way, lack of access to capital and high costs of doing business can form major barriers to solvency, even for enterprises with winning value propositions and go-to-market strategies. Businesses and institutions will need to step in to provide better paths forward and encourage better outcomes for young adults.



The future of work and the value of young voices

For billions of people around the globe, the covid-19 pandemic directly disrupted how, where and when work happens. But even as the crisis presented new ways of working, it also accelerated trends business leaders had been tracking for years. The shift to distributed workforces, remote work and more flexible hours. Automation of tasks and roles via artificial intelligence (AI) and other technologies. The rise of e-commerce.

What we envisaged as the future of work, in other words, is now arriving faster than ever. This is a key issue coming out of the pandemic, one that leaders across the private and public sectors will be grappling with for years to come. One challenge, exemplified in 2021 by what's been termed the "great resignation",²² is that the pandemic appears to have changed many people's career calculus—*why* they want to work

and *what* they want to be doing. One analysis of more than 4,000 global companies found the greatest increase in resignation rates between 2020 and 2021 was among employees 30-45 years old; rates among those 25-30 years old also rose.²³

It is imperative that both business and government leaders listen to the voices of these younger adults, to understand their aspirations, concerns and needs in a period of global crisis and heightened disruption. The stakes are high. The younger generations the Economist Impact surveyed reflect those who will increasingly drive innovation efforts and power economies in the coming years. The more leaders can design equitable solutions that meet young adults' needs and cultivate their talents—whether in new or established businesses—the brighter the post-covid recovery will be.

Endnotes

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