DOWN, BUT NOT OUT
TACKLING YOUTH UNEMPLOYMENT THROUGH ENTERPRISE

A report by The Prince’s Trust and The Royal Bank of Scotland Group
We have been helping disadvantaged young people to set up in business for almost 30 years.

This has given us a unique insight into the benefits self-employment can have for young people who have previously faced many barriers to employment - from health issues to difficulties at home or school.

This report reveals how tough things are for today’s young people, especially those facing long-term unemployment. It also clearly illustrates how self-employment can make a huge difference to a young person’s outlook on life.

After months or years of unanswered job applications and rejection letters, The Prince’s Trust Enterprise programme can offer an unemployed young person a fresh start. For many young people, however, starting their own business still seems like a distant dream - they lack confidence or simply have no idea where to start when it comes to setting up in business.

This is why The Prince’s Trust has created an A-Z of Young Businesses, supported by RBS, to highlight some of the most inspiring stories of young people who have turned their lives around by setting up in business.

The 26 young people who make up our A-Z have chosen to tell their stories to help inspire the next generation of young entrepreneurs - who may not yet have found the self-belief or support they need to move their lives forward.

We are grateful to RBS for sponsoring this research and for continuing to be the largest corporate supporter of our Enterprise programme. It is thanks to their support that The Trust is able to give the most disadvantaged young people a second chance at life through self-employment.
EXECUTIVE SUMMARY

This report shows how it continues to be a tough time for unemployed young people with many despondent about their current and future job prospects.

In contrast, the research indicates that self-employed young people are significantly more positive about their future than their peers. Attitudes to self-employment are positive among all young people but there is a lack of information and confidence in relation to actually setting up a business.

NEET young people
- More than one in five unemployed young people (22 per cent) claim that finding a job in the next year is “unachievable”
- Almost three-quarters of the young jobless (72 per cent) believe finding work is harder than ever
- Almost one in three unemployed young people (31 per cent) do not believe they will find a job in the next six months and three in five (61 per cent) describe looking for work as “demoralising”
- More than one in three young people who have been unemployed (38 per cent) have considered starting a business as a route out of unemployment but half (50 per cent) don’t have the confidence to do it

Self-employed young people
- Those who are self-employed are increasingly positive with more than half (55 per cent) of the young entrepreneurs saying they are more positive about their career now than they were this time last year (this compares with only 15 per cent of NEET young people)
- Young entrepreneurs are also twice as likely as their unemployed peers to believe they will “succeed in life” (70 per cent compared with 36 per cent)
- Almost half (48 per cent) of self-employed young people say starting their own business is the best decision they have ever made and more than half (51 per cent) would recommend starting a business to unemployed young people

Setting up a business
- A quarter of all the young people surveyed (25 per cent) say they are increasingly thinking about setting up their own business
- Among NEET young people, this rises to 58 per cent who would consider self-employment
- 82 per cent of those who are outside of work or training feel they would need support to set up their own business
- 71 per cent of all respondents claim they were not given any information about setting up a business at school
- 52 per cent of all young people don’t know where to go for advice on setting up on their own
UNEMPLOYMENT AND ASPIRATIONS

Sadly, one in three NEETs (33 per cent) is not looking forward to the future and 29 per cent claim that their future looks “bleaker than ever”.

More than two thirds of all the respondents (69 per cent) believe that life is harder than ever for unemployed young people.

Figure 1 shows that getting a job is by far the most important thing NEET young people hope to achieve in the next five years with 47 per cent choosing employment over the other options.

Despite the wish to find employment, 40 per cent of NEET young people said they are losing hope of finding a job and 31 per cent do not believe they will find a job in the next six months. One in five young people (22 per cent) describes finding a job in the next year as “unachievable”.

Two thirds (66 per cent) of jobless young people find the number of people applying for the same jobs as them “overwhelming” and 72 per cent believe finding work is harder than ever.

Figure 1:
Which of these would you most like to achieve in the next five years? (Unemployed respondents)
Compared with self-employed young people, those who are outside of education, training or work are less positive across a range of aspects of their lives.

Young people were asked how positive they felt on a sliding scale from ‘Very positive’ to ‘Very negative’ and we totalled up the percentage of young people who chose positive responses.
SELF-EMPLOYMENT AND ASPIRATIONS

The day to day business of running your own company is hard work.

However, despite the gloomy state of the economy, the majority of young business people are positive about their current and future situation with 61 per cent claiming they enjoy running their own business more than their old job and 43 per cent saying it has transformed their lives.

We asked all young people questions relating to employment and wider life issues. Of those who are self-employed, 73 per cent feel they have a good quality of life compared with just 51 per cent of those who are NEET.

More than half (55 per cent) believe they are already successful in life and 70 per cent believe they will be successful in life overall, compared with just 36 per cent of unemployed young people.

When we asked young entrepreneurs about the benefits of being self-employed, 63 per cent said their self-confidence had been boosted and almost half (47 per cent) claim it has improved their quality of life. Forty-eight per cent believe they are more productive now they are self-employed.

The groundswell of positivity among the self-employed bodes well for the future:

- 59 per cent of the young entrepreneurs surveyed can see a good career ahead of them
- 55 per cent are more positive about their career now than they were this time last year
- 47 per cent expect to see business improving in the next six months
We asked all young people, other than those who already had their own business, what being self-employed would mean to them. Those who were unemployed tended to be more positive than their peers about the benefits of self-employment.

Almost half of NEETs surveyed (48 per cent) believe starting their own business is a viable route out of unemployment. Forty-four per cent have considered setting up their own business. Here are some of their reasons:

- **68%** believe having their own business would give them a sense of achievement and purpose.
- **39%** believe it would give them a better future.
- **36%** see it as a way of getting their life back on track.
IS THERE ENOUGH SUPPORT?

Despite the fact that 46 per cent of all young people can imagine themselves as self-employed one day, our results show that there is as much need as ever for our Enterprise programme, as young people feel in the dark as to how to get started.

Figure 3:
We asked what barriers young people face to starting their own business

- *50%* wouldn’t feel confident starting their own venture
- *52%* are daunted by the idea of self-employment
- *57%* don’t know where to get help to start a business
- *71%* weren’t given any information on this subject at school
- *77%* feel they would need support to get started
THE PRINCE’S TRUST ENTERPRISE PROGRAMME

Get help to explore and test your business idea.

The Prince’s Trust Enterprise programme supports unemployed young people aged 18-30 to work out if their business ideas are viable and whether self-employment is right for them.

The programme offers mentoring support and for those who really need it, financial support to start a business.

Unemployed young people who decide that setting up in business is not for them have access to mentoring support to help them into jobs and training.

The Prince’s Trust has helped more than 78,000 young people set up in business since 1983.
RBS has worked closely with The Prince’s Trust for 11 years. We are very proud of our strong relationship with The Trust as a Platinum Patron and the largest corporate supporter of the Enterprise programme.

By the end of 2012 the partnership will have reached more than 11,000 disadvantaged young people, helping them overcome their personal barriers to success and achieve their goals.

RBS is committed to helping the next generation of entrepreneurs and small businesses achieve their ambitions, whatever their background. This is why we go beyond banking services and partner with organisations such as The Prince’s Trust, and why many of our employees volunteer as mentors to Prince’s Trust-supported businesses. It makes sense because it’s good for the young people, good for their communities and ultimately good for the economy.
A few years ago, Arnold Sebutinde from Birmingham was unemployed and desperately unhappy. Now, with the help of The Prince’s Trust, Arnold has turned his life around and is the proud owner of his own portrait business.

While growing up, gangs operated within Arnold’s community and in a desperate bid to fit in with his peers, he found himself falling in with the wrong crowd.

He recalls: “Looking back I was so desperate to fit in and be accepted. It was a desperately unhappy time of my life.”

Things soon got worse and Arnold became further embroiled in gang culture. In 2007, Arnold was sent to prison for conspiracy to rob and served two and half years.

Arnold’s time in prison gave him the chance to reflect on life and what he wanted for his future. Arnold could see the remorse and hurt he was feeling mirrored in the faces of some of his fellow prisoners and he wanted to help. He’d always had a passion for drawing and realised he could make their time in prison a little easier by drawing portraits for them to send home to friends and family.

Upon release in 2009, Arnold was shocked at the lack of job opportunities there were due to the recession.

Arnold says: “A lot of my friends were being made redundant and I witnessed a few of them turn to crime to help pay the bills – a route I definitely didn’t want to go down. I knew that I’d find it even more difficult to find work because of my criminal record and I started to realise that I could potentially turn my talent into a business.”

It was around this time that he heard about The Prince’s Trust Enterprise programme and he jumped at the chance to take part and learn about business planning. Arnold went on to present his business idea to The Trust and was thrilled when he received a £2,000 loan and a business mentor to help set up Spontaneous Portraits.

The ongoing recession solidified Arnold’s idea of turning Spontaneous Portraits into a high-end enterprise. The business is now going from strength to strength and he has expanded from just human portraits into pets, wildlife and architecture. His fan base is growing significantly and Arnold is coming up with a strategy to inspire, nurture and support craftsmanship across all sectors. He aims to assist in the revival of dying crafts and trades.

“ Without The Prince’s Trust I really don’t know where I’d be. They gave me the help and support I needed to set up my business and I can’t thank them enough for giving me the chance to have a happy future.”

– Arnold Sebutinde

Arnold Sebutinde

"I WOULDN'T HAVE HAD THE CONFIDENCE TO DO IT ALONE BUT WITH SUPPORT FROM THE TRUST, I STARTED TO FEEL LIKE ANYTHING WAS POSSIBLE"

– LENIQUE LOUIS