

# **Teens and Entrepreneurship 2003**

## **Executive Summary**

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## **Notes on Methodology**

Students from 118 JA locations across the country participated in the 2003 JA Interprise Poll™ focusing on entrepreneurship. This is the first time since 2000 that an Interprise Poll™ has been conducted on this topic. The students who completed the online survey were made aware of the Poll through their JA classes and volunteered to participate. Because the respondents were not randomly selected, the survey results cannot be presented as a scientific cross-section of American students between the ages of 13 and 18+. However, the ethnic/racial mix of respondents approximates the national distribution of the U.S. population by ethnic origin and race, indicating that the responses and attitudes provided in the results may be a broad indicator of student perceptions and preferences nationally.

A total of 1,101 students responded to the survey, including 465 students from the New Orleans area. Because such a large proportion of surveys from a single location would have unduly influenced the overall results, surveys from New Orleans were pared to 100 by randomly eliminating 365 responses. In the regional segmentations provided in the Appendix, all 465 responses from New Orleans are included.

Throughout the report, segmentations were prepared by gender, age, or race/ethnic origin to provide further insights to the survey results. Not all ethnic/racial designations were used because the few responses in some ethnic groups/races were not enough for meaningful analysis.

## Survey Highlights

*Detailed results of the 2003 JA Interprise Poll focusing on “Entrepreneurs” can be found in the Survey Results section that follows.*

Overwhelmingly, teens find the idea of starting their own business alluring, but this dream of being future entrepreneurs is anchored in the reality of challenges and risks, preparation necessary to be successful, and tradeoffs between working for others and being self-employed. Three quarters of teens responded that they would like to start their own business someday, while about 18% replied in the negative. Seven percent indicated that starting their own business was not possible given their career choices.

Teen enthusiasm for starting a business included an appreciation of marketplace rigors. Students are fully aware of the challenges involved with starting a business. Only 11% of teens perceived that effort would be “very easy” or “easy,” while almost half (49%) believed starting a business would be “somewhat challenging.”

What type of businesses are teens targeting for their entrepreneurial pursuits? The most popular areas for initiating a business were “professional service” (30%) and retail (27%). Restaurant or food-related businesses, the most common source of employment for teens, garnered only about 13% of the responses.

As a factor contributing to the ultimate success of an entrepreneur, a college education was endorsed overwhelmingly by 88% of students. Only 4% believed a college education would not help in starting a business and 8% were undecided.

What are teen perceptions regarding motivations for starting a business? Nearly half the teens responding (48%) believed that “independence” was the primary reason that people started their own business, with “have a great idea/want to see it in action” was the second most popular choice (32%).

# SURVEY RESULTS

## Entrepreneurship 2003

### Respondent Demographic Characteristics

Who were the 736 students responding to the survey? Female outnumbered male respondents by a 56% to 44%. The age ranges are representative of students in seventh through twelfth grade, with students 17 and older comprising nearly 35% of responses. The ethnic or racial mix of participating teens approximates the overall ethnic mix in the U.S.

#### A. Gender

	Frequency	Percent
Male	317	44.2
Female	401	55.8
<b>Total</b>	<b>718</b>	<b>100.0</b>
<i>No response</i>	<i>18</i>	

#### B. Age

Age Range	Frequency	Percent
13-14	239	33.0
15-16	234	32.4
17	117	16.2
18 or older	133	18.4
<b>Total</b>	<b>723</b>	<b>100.0</b>

## Ease of Starting a Business

*Question: How easy do you believe it is to start a business today?*

Students are fully aware of the challenges involved with starting a business. Only 11% of teens perceived that effort would be “very easy” or “easy,” while almost half (48.6%) believed starting a business would be “somewhat challenging.” A more somber assessment was provided by 38.8% of students who indicated that initiating a business would be “difficult, but possible.” The combined percentage of “somewhat challenging” and “difficult, but possible” is nearly identical to the results for this question in the Entrepreneurship 2000 Poll. Only 1.6% of respondents believed that starting a business today would be “almost impossible.”

Male teens were more than twice as likely as their female counterparts to indicate that starting a business today would be “very easy” or “easy” (15.8% vs. 7.1%) respectively.

Response	Frequency	Percent
Very easy	22	3.0
Easy	58	8.0
Somewhat challenging	355	48.6
Difficult but possible	283	38.8
Almost impossible	12	1.6
<b>Total</b>	<b>730</b>	<b>100.0</b>
<i>No response</i>	6	

## Desire to Start a Business

*Question: Would you like to start your own business someday?*

Nearly three quarters of teens (74.9%) indicated that they would like to start their own business someday, while about 18% replied in the negative. Seven percent responded that starting their own business was not possible given their career choices.

Male students were more likely to respond affirmatively to starting their own business (79.9%) compared to female teens (70.7%). Asian and African-American students were more likely to denote a willingness to start their own business (88.6% and 86.4%) compared to Hispanic (78.6%) and white (68.8%) students. In the 2000 Entrepreneurship Poll, white students also had the lowest interest in starting their own business with a 71% response.

Response	Frequency	Percent
Yes	543	74.9
No	129	17.8
Not possible, given my career choice	53	7.3
<b>Total</b>	<b>725</b>	<b>100.0</b>
<i>No response</i>	11	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	251	79.9	280	70.7
No	47	15.0	79	19.9
Not possible, given my career choice	26	5.1	37	9.4
<b>Total</b>	<b>314</b>	<b>100.0</b>	<b>396</b>	<b>100.0</b>
<i>No response</i>	3		5	

## Business Preferences

*Question: If yes, what kind of business would you most like to start?*

The most popular areas for initiating a business were “professional service” (30.3%) and retail (27.2%). Restaurant or food-related businesses, the most common source of employment for teens, garnered only about 13% of the responses. “E-commerce or internet-based business” received the lowest response at 6.4%, which mirrors its last place finish in the 2000 Entrepreneurship Poll. This year’s top choice “professional services” climbed 10 percentage points from its preference of 20% in the 2000 Poll.

The “other” category for business preference was diverse and included pursuits such as photographer, childcare, and computer programmer.

Female students were more likely than males (33.8% to 26.4%) to select “professional service,” and male teens were nearly three times as likely (9.4% vs. 3.2%) to select “E-commerce or internet-based fields” as the preferred area for starting a business.

Response	Frequency	Percent
Professional service	184	30.3
Retail business	165	27.2
Restaurant or food-related	77	12.7
Trade service	40	6.6
E-commerce or internet-based	39	6.4
Other, please specify	102	16.8
<b>Total</b>	<b>607</b>	<b>100.0</b>
<i>No response</i>	129	

Response

Frequency

Percent

Frequency

Percent

## Importance of College Education in Starting a Business

*Question: Would a college education help you to succeed in starting and growing your own business?*

The importance of a college education as a success factor in starting a business was endorsed overwhelmingly by 88.3% of students. Only 3.7% believed a college education would not help in starting a business and 8.0% were undecided.

This perception that college education was important for aspiring entrepreneurs was consistently affirmed regardless of gender or age.

Response	Frequency	Percent
Yes	642	88.3
No	27	3.7
Not sure	58	8.0
<b>Total</b>	<b>727</b>	<b>100.0</b>
<i>No response</i>	9	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	273	86.4	354	89.6
No	15	4.7	12	3.0
Not sure	28	8.9	29	7.4
<b>Total</b>	<b>316</b>	<b>100.0</b>	<b>395</b>	<b>100.0</b>
<i>No response</i>	1		6	

## Motivation for Starting a Business

*Question: Why do you believe people start their own business?*

Nearly half the teens responding (48.5%) believed that “independence” was the primary reason that people started their own business, with “have a great idea/want to see it in action” was the second most popular choice (32.1%). When inferring motivations of entrepreneurs, female students were more likely (35.2 to 28.6%) than their male counterparts to select “have a great idea/want to see it in action.” On the other hand, male teens chose “just to make money” as a motivating factor more than twice as often as female teens (17.4 vs. 8.1%).

Response	Frequency	Percent
Independence	353	48.5
Have a great idea / want to see it in action	234	32.1
Just to make money	88	12.1
Laid off from a company	6	0.8
Other, please specify	47	6.5
<b>Total</b>	<b>728</b>	<b>100.0</b>
<i>No response</i>	8	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Independence	147	46.5	198	50.0
Have a great idea / want to see it in action	89	28.2	141	35.6
Just to make money	55	17.4	32	8.1
Laid off from a company	4	1.2	2	0.5

## Reasons For Not Starting a Business

*Question: What do you believe is the most likely explanation for people who do NOT start a business?*

Students surmised that “not enough money to get business started” (37.8%) and “fear of failure” (28.5%) were the two primary reasons why people did not start their own businesses. These two top reasons are reversed from the Entrepreneurship 2000 survey when “fear of failure” was the most commonly cited reason for not starting a business (39%), while “not enough money to get business started” was cited by 28% of teens. The increase in the perception that initial financing is a rationale for not starting a business, might be tied to the current high unemployment rate compared to the recent past, and the publicity surrounding the “dot com implosion” and the reluctance of venture capitalists to finance new ventures.

Female students were more likely to attribute reluctance in starting a business due to lack of start-up funds than male teens by 41.4% to 33.6%. Male students ascribed “fear of failure” as a contributing motivation not to start a business much more frequently than female students (32.9% to 24.9% respectively).

Response	Frequency	Percent
Not enough money to get business started	273	37.8
Fear of failure	206	28.5
Other interests	122	16.9
Too much work / long hours	55	7.6
Government obstacles	40	5.5
Other, please specify	27	3.7
<b>Total</b>	<b>723</b>	<b>100.0</b>
<i>No response</i>	13	

Response

Frequency

Percent

Frequency

Percent

# Learning about Starting a Business

*Question: What do you believe is the best resource to learn how to start a business?*

Students narrowly selected “government sources or non-profit organizations” (30.8%) over the “Internet” (29.2%) as the best source for learning to start a business. The preference for these two sources was split by gender, with 33.1% of males selecting the Internet compared to 26.5% of female teens. “Government sources or non-profit organizations” was chosen by 32.0% of female teens compared to 29.3% of males. In the 2000 Entrepreneurship Poll, “government sources or non-profit organizations” received only 23% of total responses.

Using the Internet as a resource to learn about starting a business was most popular among African-American students (41.7%) while Hispanic students preferred “government sources or non-profit organizations” (44.4%).

The most popular “other” sources cited were college courses and business owners.

Response	Frequency	Percent
Government sources or non-profit organization	224	30.8
Internet	212	29.2
Friend or family member	106	14.6
Books or magazines	80	11.0
Other, please specify	105	14.4
<b>Total</b>	<b>727</b>	<b>100.0</b>
<i>No response</i>	9	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
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<b>Response</b>	<b>Asia /Pacific Islands</b>	<b>Black African American</b>	<b>Hispanic/ Latino</b>	<b>White</b>
Government sources or non-profit organization	17.6	28.3	44.4	31.4
Internet	26.5	41.7	28.3	27.0
Friend or family member	32.4	6.7	15.2	14.4
Books or magazines	17.6	13.3	3.0	11.6
Other, please specify	5.9	10.0	9.1	15.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>34</b>	<b>120</b>	<b>99</b>	<b>404</b>
<i>No response</i>	<i>1</i>	<i>2</i>		<i>4</i>

## Ingredients for Business Success

*Question: Of all the following ingredients for business success, which one is the most important?*

In reviewing a sample of ingredients for business success, students selected “hard work and determination” twice as often (41.8%) as the second most popular selection “good product(s) or service(s) offered” with 19.9%. In the 2000 Entrepreneurship Poll the ranking of the top two ingredients was identical, but the spread has grown from 17% difference between hard work and good products to 22% in the most recent Poll.

This spread between the two top choices was fairly consistent among ages and ethnic origin. The only exception is Asian-American teens who selected “hard work and determination” as their first choice with 35.3%, followed closely by “good product(s) or service(s) offered” with 29.4%.

Response	Frequency	Percent
Hard work and determination	304	41.8
Good product(s) or service(s) offered	145	19.9
Capital (money)	90	12.4
Connections (knowing the right people)	84	11.6
Good location for the business	62	8.5
Other, please specify	42	5.8
<b>Total</b>	<b>727</b>	<b>100.0</b>
<i>No response</i>	9	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Hard work and determination	127	40.2	172	43.4

<b>Response</b>	<b>Asia /Pacific Islands</b>	<b>Black African American</b>	<b>Hispanic/ Latino</b>	<b>White</b>
Hard work and determination	35.3	45.4	37.4	43.2
Good product(s) or service(s) offered	29.4	19.3	17.2	19.3
Capital (money)	8.8	10.1	16.2	12.8
Connections (knowing the right people)	14.7	11.8	12.1	11.9
Good location for the business	11.8	7.5	11.1	7.4
Other, please specify	--	5.9	6.0	5.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>34</b>	<b>119</b>	<b>99</b>	<b>405</b>
<i>No response</i>	<i>1</i>	<i>3</i>		<i>3</i>

## Perception of Comparative Job Security

*Question: Do you think there is more job security owning your own business or working for a company?*

In terms of owning a business or working for a company, students perceived that owning a business offered more job security by 41.0% to 32.3%, with more than a quarter (26.7%) indicating “unsure.” Female students believed owning a business promoted greater job security than working for a company, but by only a 6% margin (37.3% to 31.5%). Male students’ responses provided twice the margin at 12% when comparing an entrepreneur’s security (45.5%) to that of a company employee (33.2%).

Among all ethnic groups, 57.3% of African-American students had the highest confidence that self-employment provided the greater degree of job security.

Response	Frequency	Percent
Owning your own business	295	41.0
Working for a company	232	32.3
Not sure	192	26.7
<b>Total</b>	<b>719</b>	<b>100.0</b>
<i>No response</i>	17	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Owning your own business	141	45.5	147	37.3
Working for a company	103	33.2	124	31.5
Not sure	66	21.3	123	31.2
<b>Total</b>	<b>310</b>	<b>100.0</b>	<b>394</b>	<b>100.0</b>

## Perception of Comparative Job Satisfaction

*Question: Do you think there is greater job satisfaction owning your own business or working for a company?*

Slightly more than 80% (80.8%) of students believed that there was greater job satisfaction owning a business rather than working for a company. This percent was fairly constant regardless of gender or ethnic origin. Perception that self-employment resulted in greater job satisfaction rose gradually with age.

Response	Frequency	Percent
Owning your own business	584	80.8
Working for a company	57	7.9
Not sure	82	11.3
<b>Total</b>	<b>723</b>	<b>100.0</b>
<i>No response</i>	13	

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Owning your own business	260	82.5	313	79.4
Working for a company	24	7.6	33	8.4
Not sure	31	9.9	48	12.2
<b>Total</b>	<b>315</b>	<b>100.0</b>	<b>394</b>	<b>100.0</b>
<i>No response</i>	2		7	

Age Ranges	13-14	15-16	17	18 +

## Labor Unions and Business

*Question: Business has had a long and successful (or difficult, depending on your point of view) relationship with labor unions. Some people think labor unions still help protect the rights of the working class, while others think labor unions have outlived their usefulness. What do you think?*

When asked about the usefulness and benefits of labor unions, the majority of teens (52.8%) had no opinion. The remaining respondents were twice as likely to believe that labor unions do mostly good (31.8%) while only 15.4% thought unions were harmful to business.

Gender made a significant difference on attitude. Over 60% of female teens (61.8%) had “no opinion” compared to 41.7% of male students. Only 9.4% of female students thought that labor unions are harmful to business, compared to 22.7% of males. However, compared to female students, males were more inclined to believe that labor unions do mostly good (35.6% to 28.8%). The large “no opinion” response tends to make meaningful comparisons between genders difficult.

Why do more than half the students have no opinion about the benefits of labor unions? Perhaps the decline in union membership as a percent of work force has decreased awareness of unions as the number of union households has declined. Another factor contributing to the “no opinion” response might be that in recent years most contract negotiations have proceeded smoothly, without the long and highly visible work stoppages of the past.

Response	Frequency	Percent
Labor unions do mostly good	230	31.8
Labor unions are harmful to business	111	15.4
No opinion	382	52.8
<b>Total</b>	<b>723</b>	<b>100.0</b>

<b>Response</b>	<b>Asian Pacific Islands</b>	<b>Black African American</b>	<b>Hispanic/ Latino</b>	<b>White</b>
Labor unions do mostly good	28.6	32.2	29.6	32.1
Labor unions are harmful to business	11.4	14.1	16.3	15.8
No opinion	60.0	53.7	54.1	52.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Responses</b>	<b>35</b>	<b>121</b>	<b>98</b>	<b>399</b>
<i>No response</i>		1	1	9

# Appendix

Five JA locations provided 49 or more responses to the 2003 JA Interprise Poll<sup>®</sup> on Teens and Entrepreneurship. Responses from these areas are segmented below for each of the major questions that were posed.

	Responses	Percent of all students surveyed (1101)
Grand Rapids, MI	65	5.9
Longview, TX	49	4.5
New Orleans, LA	465	42.2
Quad Cities, IL	67	6.1
Reading, PA	88	8.0
<b>TOTAL</b>	<b>734</b>	<b>66.7</b>

## Percent Distribution of Responses by Gender

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Male	65.1	28.6	45.1	47.8	47.7
Female	34.9	71.4	54.9	52.2	52.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>63</b>	<b>49</b>	<b>455</b>	<b>67</b>	<b>88</b>

## Percent Distribution of Responses by Age

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
13-14	28.1	42.9	27.8	95.5	64.4

### Percent Distribution of Responses for Ease of Starting a Business

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Very easy	4.6	2.0	2.4	--	--
Easy	10.8	2.0	8.8	6.1	3.4
Somewhat challenging	43.1	53.1	47.5	51.5	50.6
Difficult but possible	38.4	42.9	40.2	40.9	43.7
Almost impossible	3.1	--	1.1	1.5	2.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>65</b>	<b>49</b>	<b>455</b>	<b>66</b>	<b>87</b>

### Percent Distribution of Responses for Desire to Start a Business

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Yes	68.3	53.1	75.2	74.2	80.2
No	22.2	40.8	15.6	18.2	11.6
Not possible	9.5	6.1	9.2	7.6	8.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>63</b>	<b>49</b>	<b>455</b>	<b>66</b>	<b>86</b>

### Percent Distribution of Responses for Business Preferences

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
E-commerce / internet	6.1	5.7	2.3	5.1	6.2
Professional service	16.3	45.7	26.0	25.4	25.0
Restaurant / food-related	12.2	8.6	11.1	18.6	12.5
Retail business	22.7	20.0	24.0	17.0	19.8

### Percent Distribution of Responses for Motivations for Starting a Business

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Independence	28.6	38.8	57.1	44.8	44.3
Just to make money	20.6	14.3	15.6	17.9	14.8
Have a great idea	42.9	38.8	21.5	31.3	33.0
Laid off	1.6	--	0.5	1.5	--
Other, please specify	6.3	8.1	5.3	4.5	7.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>63</b>	<b>49</b>	<b>455</b>	<b>67</b>	<b>88</b>

### Percent Distribution of Responses for Reasons for Not Starting a Business

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Other interests	15.9	10.2	21.9	27.3	17.0
Fear of failure	27.0	30.6	22.1	28.8	22.7
Not enough money	31.7	42.9	38.0	30.3	30.7
Government obstacles	14.3	2.0	5.5	4.5	11.4
Too much work	7.9	6.1	6.8	6.1	11.4
Other, please specify	3.2	8.2	5.7	3.0	6.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>63</b>	<b>49</b>	<b>457</b>	<b>66</b>	<b>88</b>

### Percent Distribution of Responses for Learning about Starting a Business

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Books or magazines	19.7	10.2	6.1	9.0	6.8
Internet	31.1	24.5	29.8	37.3	30.7
Costly seminars	22.2	22.7	21.8	22.2	21.4

### Percent Distribution of Responses for Perception of Comparative Job Security

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Own business	48.4	38.3	49.4	32.8	43.7
Work for a company	40.3	44.7	20.3	29.9	28.7
Not sure	11.3	17.0	30.3	37.3	27.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>62</b>	<b>47</b>	<b>449</b>	<b>67</b>	<b>87</b>

### Percent Distribution of Responses for Perception of Comparative Job Satisfaction

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Own business	79.0	81.6	78.5	77.6	76.2
Work for a company	12.9	8.2	8.8	6.0	13.6
Not sure	8.1	10.2	12.7	16.4	10.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Responses</b>	<b>62</b>	<b>49</b>	<b>455</b>	<b>67</b>	<b>88</b>

### Percent Distribution of Responses for Labor Unions and Business

Response	Grand Rapids, MI	Longview, TX	New Orleans, LA	Quad Cities, IL	Reading, PA
Mostly good	31.2	25.0	27.2	26.9	35.2