

Junior Achievement's

2008 "Teens and Entrepreneurship" Poll

November 17, 2008



Junior Achievement[®]

Contents

Notes on Methodology	1
Survey Highlights	2
SURVEY RESULTS	
Respondent Demographic Characteristics	3
Ease of Starting a Business	4
Desire to Start a Business	5
Motivation for Starting a Business	7
Reasons for Not Starting a Business	8
Ingredients for Business Success	9
Perception of Comparative Job Security	10
Perception of Comparative Job Satisfaction	11
Challenges Facing the U.S. Economy	12
Generational Affluence	13
Risking Personal Assets to Start a Business	14
APPENDIX (Local area segmentations)	15

Notes on Methodology

Students from 110 JA local area offices across the country participated in the 2008 JA Interprise Poll™ focusing on Entrepreneurship. This is the seventh time the survey has been conducted, and 712 teens participated in this year's Poll. The survey was administered in February and March of 2008.

JA local area offices requested participation from students, many of whom were not involved in JA programs. Because the respondents were not randomly selected, no margin of error for this report can be calculated. The survey results cannot be represented 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.

Survey Highlights

Detailed results of the 2008 JA Interprise Poll[®] focusing on “Entrepreneurship” can be found in the Survey Results section that follows.

- ✓ Teens are not naïve about the challenges of starting a business. Only 9.2% believe that creating an enterprise would be “very easy” or “easy.” Forty percent (40.1%) perceive that starting a business would be “somewhat challenging” and 41.4% believe this process would be “difficult, but possible.”
- ✓ Nearly 60% of teens (59.7%) would like to start their own business someday, while only 11.7% reject this option. Another 7.2% indicated that becoming an entrepreneur is not possible given their career choice. More than one-fifth (21.4%) of teens indicated they were “unsure” whether self-employment was an alternative they would favor.
- ✓ For teens that want to start their own business, the potential to earn more money (46.5%) is the primary motivation followed closely by the desire for independence (“I don’t want to work for someone else”) with 42.1%.
- ✓ Nearly half of teens surveyed believe that “fear of failure” (46.5%) is the primary explanation for why people do not start their own business. Lack of capital (“*Not enough money to get the business started*”) is the second-most cited reason. (30.5%)
- ✓ For the seventh consecutive year, “hard work and determination” is cited by teens as the most important ingredient for business success (47.6%).
- ✓ As in past surveys, teens are evenly split on the issue of whether self-employment or working for a company provides greater job security. Teens narrowly favored “owning my own business” (39.4%) over “working for a company” (38.3%) to obtain greater job security.
- ✓ When job satisfaction is the criteria for deciding a career path, teens overwhelmingly select “owning my own business” (80.2%) compared to only 9.6% who think that working for a company would provide greater satisfaction. The remaining 10.2% of teens were undecided.
- ✓ Consistent with past I-Polls, teens perceived that “unemployment” (27.4%) was the greatest challenge to the U.S. economy, followed by “the possibility of recession” (15.2%).
- ✓ More than half of teens (53.0%) perceive they will be better off than their parents with 35.3% unsure how their financial future will compare with their parents’ status. More than one-tenth of teens (11.7%) believe they will be less wealthy than their parents.
- ✓ Nearly a quarter (23.9%) of teens indicated they would invest more than 50% of their wealth to finance their own business. A more cautious assessment was made by 27.8% of aspiring entrepreneurs who were committed to investing 20% or less of their personal assets in a self-owned business.

SURVEY RESULTS

Entrepreneurship 2008

Respondent Demographic Characteristics

Who are the 712 students responding to the survey? More female students participated than males (53.5% to 46.5%, respectively). The age ranges are representative of students in seventh through twelfth grades. The ethnic or racial mix of participating teens approximates the overall ethnic mix in the U.S.

A. Gender

	Frequency	Percent
Male	331	46.5
Female	381	53.5
Total	712	100.0

B. Age

Age Range	Frequency	Percent
13-14	220	30.9
15-16	217	30.5
17	138	19.4
18 or older	137	19.2
Total	712	100.0

C. Race or Ethnic Origin

Ethnic Origin	Frequency	Percent
Asian/Pacific Islands	35	4.9
Black/African American	138	19.4
Hispanic/Latino	86	12.1
Mixed Race	60	8.4
Native American	24	3.4
White	361	50.7
Other	8	1.1
Total	712	100.0

Ease of Starting a Business

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

Teens are not naïve about the challenges of starting a business. Only 9.2% believe that creating an enterprise would be “very easy” or “easy.” Forty percent (40.1%) perceive that starting a business would be “somewhat challenging” and 41.4% believe this process would be “difficult, but possible.” Only 4.2% believe that starting a business would be “almost impossible.”

Male teens are twice as likely as their female counterparts to indicate that starting a business today would be “very easy” or “easy” (12.9% vs. 5.9% respectively).

Response	Frequency	Percent
Very easy	25	3.6
Easy	39	5.6
Somewhat challenging	279	40.1
Difficult, but possible	288	41.4
Almost impossible	29	4.2
Not sure	35	5.0
Total	695	100.0
<i>No response</i>	17	

Due to rounding, percentages may not add to 100%.

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Very easy	16	4.9	9	2.4
Easy	26	8.0	13	3.5
Somewhat challenging	130	40.0	149	40.3
Difficult but possible	124	38.2	164	44.3
Almost impossible	14	4.3	15	4.1
Not sure	15	4.6	20	5.4
Total	325	100.0	370	100.0
<i>No response</i>	6		11	

Due to rounding, percentages may not add to 100%.

Desire to Start a Business

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

Nearly 60% of teens (59.7%) would like to start their own business someday, while only 11.7% reject this option. Another 7.2% indicated that becoming an entrepreneur is not possible given their career choice. More than one-fifth (21.4%) of teens indicated they were “unsure” whether self-employment was an alternative they would favor.

Male teens are more inclined to start a business (64.9%) than their female counterparts (55.1%). Teens with a family member or close relative who owns a business, are more likely to begin their own business someday (63.9%) compared to teens without a relative who owns a business (52.9%).

Response	Frequency	Percent
Yes	415	59.7
No	81	11.7
Not possible, given my career choice	50	7.2
Not sure	149	21.4
Total	695	100.0
<i>No response</i>	<i>17</i>	

Due to rounding, percentages may not add to 100%.

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	211	64.9	204	55.1
No	27	8.3	54	14.6
Not possible, given my career choice	22	6.8	28	7.6
Not sure	65	20.0	84	22.7
Total	325	100.0	370	100.0
<i>No response</i>	<i>6</i>		<i>11</i>	

Due to rounding, percentages may not add to 100%.

Segmentation by Whether Family Member or Close Relative Owns a Business

Response	Own Business	Percent	Don't Own Business	Percent
Yes	280	63.9	135	52.9
No	41	9.4	40	15.7
Not possible, given my career choice	27	6.2	22	8.6
Not sure	90	20.5	58	22.7
Total	438	100.0	255	100.0
<i>No response</i>	<i>1</i>		<i>1</i>	

Due to rounding, percentages may not add to 100%.

Question: Does anyone in your family or a close relative own their own business?

Response	Frequency	Percent
Yes	439	63.2
No	256	36.8
Total	695	100.0
<i>No response</i>	<i>17</i>	

Due to rounding, percentages may not add to 100%.

Motivation for Starting a Business

Question: Why would you want to start your own business?

For teens who want to start their own business, the potential to earn more money (46.5%) is the primary motivation followed closely by the desire for independence (“*I don’t want to work for someone else*”) with 42.1%.

Includes responses only from teens who indicated they would want to start their own business

Response	Frequency	Percent
Earn more money	190	46.5
I don’t want to work for someone else	172	42.1
I have a great product or service idea	117	28.6
I want to be like Bill Gates or Donald Trump	65	15.9
Other	19	4.6
Not sure	16	3.9

Because teens could check more than one choice, percentages add to greater than 100%.

Reasons For Not Starting a Business

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

Nearly half of teens surveyed believe that “fear of failure” (46.5%) is the primary explanation for why people do not start their own business. Lack of capital (“Not enough money to get the business started”) is the second-most cited reason. (30.5%)

Response	Frequency	Percent
Fear of failure	321	46.5
Not enough money to get the business started	211	30.5
Not enough information on how to start it	60	8.7
Not sure	28	4.1
Satisfied with current job opportunities	26	3.8
They don't have a great product or service idea	23	3.3
Other	22	3.2
Total	691	100.0
<i>No response</i>	<i>21</i>	

Due to rounding, percentages may not add to 100%.

Ingredients for Business Success

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

For the seventh consecutive year, “hard work and determination” is cited by teens as the most important ingredient for business success (47.6%). “Business and management skills” is perceived as the second-most critical ingredient (18.6%) and “having a good business plan” (17.6%) was the third-most-frequently identified factor for business success.

Although percentages differ slightly, the order of the most important ingredients for business success was identical for female and male teens.

Response	Frequency	Percent
Hard work and determination	330	47.6
Business and management skills	129	18.6
Having a good business plan	122	17.6
Good product(s) or service(s) offered	45	6.5
Capital (money)	23	3.3
Not sure	22	3.2
Other	22	3.2
Total	693	100.0
<i>No response</i>	<i>19</i>	

Due to rounding, percentages may not add to 100%.

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Hard work and determination	154	47.5	176	47.7
Business and management skills	60	18.5	69	18.7
Having a good business plan	54	16.7	68	18.4
Good product(s) or service(s) offered	25	7.7	20	5.4
Capital (money)	11	3.4	12	3.3
Not sure	11	3.4	11	3.0
Other	9	2.8	13	3.5
Total	324	100.0	369	100.0
<i>No response</i>	<i>7</i>		<i>12</i>	

Due to rounding, percentages may not add to 100%.

Perception of Comparative Job Security

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

As in past surveys, teens are evenly split on the issue of whether self-employment or working for a company provides greater job security. Teens narrowly favored “owning my own business” (39.4%) over “working for a company” (38.3%) to obtain greater job security.

However, when the results are segmented by gender, male students (43.1%) are more likely to perceive that self-employment results in greater job security compared to female teens (36.1%).

Response	Frequency	Percent
Owning my own business	270	39.4
Working for a company	263	38.3
Not sure	153	22.3
Total	686	100.0
<i>No response</i>	<i>26</i>	

Due to rounding, percentages may not add to 100%.

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Owning my own business	137	43.1	133	36.1
Working for a company	112	35.2	151	41.0
Not sure	69	21.7	84	22.8
Total	318	100.0	368	100.0
<i>No response</i>	<i>13</i>		<i>13</i>	

Due to rounding, percentages may not add to 100%.

Perception of Comparative Job Satisfaction

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

When job satisfaction is the criteria for deciding a career path, teens overwhelmingly select “owning my own business” (80.2%) compared to only 9.6% who think that working for a company would provide greater satisfaction. The remaining 10.2% of teens were undecided.

Response	Frequency	Percent
Owning my own business	552	80.2
Working for a company	66	9.6
Not sure	70	10.2
Total	688	100.0
<i>No response</i>	24	

Due to rounding, percentages may not add to 100%.

Challenges Facing the U.S. Economy

Question: What’s the greatest challenge facing the U.S. economy?

Consistent with past I-Polls, teens perceived that “unemployment” (27.4%) was the greatest challenge to the U.S. economy. Teens must be tuned into media reports because they cite “the possibility of recession” as the second greatest challenge (15.2%). The federal budget deficit (14.7%) was perceived as the next greatest challenge.

Response	Frequency	Percent
Unemployment	188	27.4
The possibility of recession	104	15.2
The federal budget deficit	101	14.7
Global competition	89	13.0
The cost of health care	73	10.6
Not sure	89	13.0
Other	42	6.1
Total	686	100.0
<i>No response</i>	26	

Due to rounding, percentages may not add to 100%.

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Unemployment	80	25.1	108	29.4
The possibility of recession	53	16.6	51	13.9
The federal budget deficit	47	14.7	54	14.7
Global competition	46	14.4	43	11.7
The cost of health care	31	9.7	42	11.4
Not sure	38	11.9	51	13.9
Other	24	7.5	18	4.9
Total	319	100.0	367	100.0
<i>No response</i>	12		14	

Due to rounding, percentages may not add to 100%.

Generational Affluence

Question: *Do you think that you will be financially better off than your parents?*

More than half of teens (53.0%) perceive they will be better off than their parents, with 35.3% unsure how their financial future will compare with their parents’ status. More than one-tenth of teens (11.7%) believe they will be less wealthy than their parents. Female teens (55.1%) are somewhat more likely than their male counterparts (50.5%) to indicate that they will exceed their parents’ financial situation.

Response	Frequency	Percent
Yes	366	53.0
No	81	11.7
Not sure	244	35.3
Total	691	100.0
<i>No response</i>	<i>21</i>	

Due to rounding, percentages may not add to 100%.

Response	Frequency Male	Percent Male	Frequency Female	Percent Female
Yes	162	50.5	204	55.1
No	40	12.5	41	11.1
Not sure	119	37.1	125	33.8
Total	321	100.0	370	100.0
<i>No response</i>	<i>10</i>		<i>11</i>	

Due to rounding, percentages may not add to 100%.

Risking Personal Assets to Start a Business

Question: What percentage of your wealth (the value of your home, savings, or other assets) would you be willing to risk to start your own business?

Are teens who want to start their own business willing to risk their own assets to finance the venture? Nearly a quarter (23.9%) of teens indicated they would invest more than 50% of their assets to finance their own business. A more cautious assessment was made by 27.8% of aspiring entrepreneurs who were committed to investing 20% or less of their personal assets in a self-owned business.

Responses include only those teens who indicated that they would like to own their own business.

Response	Frequency	Percent
10% or less	33	8.0
11-20%	82	19.8
21-50%	135	32.6
51-74%	65	15.7
75% or higher	34	8.2
Unsure	65	15.7
Total	414	100.0
<i>No response</i>	<i>1</i>	

Due to rounding, percentages may not add to 100%.

Appendix

Two JA area offices provided 80 or more responses to the 2008 JA Interprise Poll.™ Responses from these areas are segmented below for each of the major questions that were posed.

	Responses
New Mexico	101
Eastern Iowa	90

Percent Distribution of Responses by Gender

Response	National	Eastern Iowa	New Mexico
Male	46.5	55.6	60.4
Female	53.5	44.4	39.6
TOTAL	100.0	100.0	100.0
<i>Total Responses</i>		90	101

Due to rounding, percentages may not add to 100%

Percent Distribution of Responses by Age

Response	National	Eastern Iowa	New Mexico
13-14	30.9	43.3	6.9
15-16	30.5	33.3	52.5
17	19.4	13.3	28.7
18 or older	19.2	10.0	11.9
TOTAL	100.0	100.0	100.0
<i>Total Responses</i>		90	101

Due to rounding, percentages may not add to 100%

Percent Distribution of Responses by Race/Ethnic Origin

Response	National	Eastern Iowa	New Mexico
Asian/Pacific Islands	4.9	---	2.0
Black/African American	19.4	14.4	5.9
Hispanic/Latino	12.1	2.2	26.7
Mixed Race	8.4	11.1	7.9
Native American	3.4	---	15.8
White	50.7	71.1	39.6
Other	1.1	1.1	2.0
TOTAL	100.0	100.0	100.0
<i>Total Responses</i>		90	101

Due to rounding, percentages may not add to 100%

Percent Distribution of Responses for Ease of Starting a Business

Response	National	Eastern Iowa	New Mexico
Very easy	3.6	2.3	5.9
Easy	5.6	8.0	5.0
Somewhat challenging	40.1	40.9	45.5
Difficult but possible	41.4	37.5	38.6
Almost impossible	4.2	4.5	1.0
Not sure	5.0	6.8	4.0
Total	100.0	100.0	100.0
Total Responses		88	101

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for Desire to Start a Business

Response	National	Eastern Iowa	New Mexico
Yes	59.7	54.5	67.3
No	11.7	10.2	10.9
Not possible	7.2	8.0	5.9
Not sure	21.4	27.3	15.8
Total	100.0	100.0	100.0
Total Responses		88	101

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for Motivations for Starting a Business

Includes responses only from teens who indicated they would want to start their own business

Response	National	Eastern Iowa	New Mexico
Earn more money	46.5	45.7	53.7
I don't want to work for someone else	42.1	39.1	35.8
I have a great product or service idea	28.6	32.6	22.4
I want to be like Bill Gates or Donald Trump	15.9	2.2	13.4
Other	4.6	4.3	4.5
Not sure	3.9	4.3	7.5
Total Responses		59	92

Because teens could check more than one choice, percentages may add to greater than 100%.

Percent Distribution of Responses for Reasons for Not Starting a Business

Response	National	Eastern Iowa	New Mexico
Fear of failure	46.5	43.2	54.5
Not enough money to get the business started	30.5	30.7	20.8
Not enough information on how to start it	8.7	10.2	8.9
Not sure	4.1	3.4	5.9
Satisfied with current job opportunities	3.8	5.7	4.0
The don't have a great product or service idea	3.3	2.3	3.0
Other	3.2	4.5	3.0
Total Responses		88	101

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for Ingredients for Business Success

Response	National	Eastern Iowa	New Mexico
Hard work and determination	47.6	50.0	47.5
Business and management skills	18.6	17.0	16.8
Having a good business plan	17.6	15.9	21.8
Good product(s) or service(s) offered	6.5	5.7	7.9
Capital (money)	3.3	3.4	2.0
Not sure	3.2	3.4	2.0
Other	3.2	4.5	2.0
Total	100.0	100.0	100.0
Total Responses		88	101

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for Perception of Comparative Job Security

Response	National	Eastern Iowa	New Mexico
Owning my own business	39.4	30.7	44.4
Working for a company	38.3	39.8	39.4
Not sure	22.3	29.5	16.2
Total	100.0	100.0	100.0
Total Responses		88	99

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for Perception of Comparative Job Satisfaction

Response	National	Eastern Iowa	New Mexico
Owning my own business	80.2	76.1	80.0
Working for a company	9.6	12.5	12.0
Not sure	10.2	11.4	8.0
Total	100.0	100.0	100.0
Total Responses		88	100

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for Greatest Challenge Facing the U.S. Economy

Response	National	Eastern Iowa	New Mexico
Unemployment	27.4	23.0	30.0
The possibility of recession	15.2	6.9	10.0
The federal budget deficit	14.7	17.2	16.0
Global competition	13.0	6.9	16.0
The cost of health care	10.6	19.5	7.0
Not sure	13.0	21.8	14.0
Other	6.1	4.6	7.0
Total	100.0	100.0	100.0
Total Responses		87	100

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for “Do you think you will be financially better off than your parents?”

Response	National	Eastern Iowa	New Mexico
Yes	53.0	45.5	43.6
No	11.7	8.0	12.9
Not sure	35.3	46.6	43.6
Total	100.0	100.0	100.0
Total Responses		88	101

Due to rounding, percentages may not add to 100%.

Percent Distribution of Responses for “What percentage of your wealth (the value of your home, savings, or other assets) would you be willing to risk to start your own business?”

Response	National	Eastern Iowa	New Mexico
10% or less	8.0	9.1	8.9
11-20%	19.8	21.6	18.8
21-50%	32.6	29.5	33.7
51-74%	15.7	14.8	13.9
75% or higher	8.2	3.4	6.9
Not sure	15.7	21.6	17.8
Total	100.0	100.0	100.0
Total Responses		88	101