

[National Assembly for Wales](#)

[Enterprise and Business Committee](#)

[Inquiry into Assisting Young People into Work](#)

Evidence from Carnegie UK Trust – AYP 11



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Claire Morris

Clerk, Enterprise and Business Committee

National Assembly for Wales

Cardiff Bay

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6 November 2014

Dear Claire

**The National Assembly for Wales' Enterprise and Business Committee
Inquiry into Assisting Young People into Work**

The Carnegie United Kingdom (UK) Trust welcomes the opportunity to respond to the National Assembly for Wales' Enterprise and Business Committee Inquiry into Assisting Young People into Work. The Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work.

Honorary President: William Thomson CBE
Chair: Angus M Hogg
Chief Executive: Martyn Evans

Carnegie United Kingdom Trust
Incorporated by Royal Charter 1917
Scottish Charity No: SC 012799 operating in the UK and Ireland

We welcome the Committee's inquiry into effective support for young people to enter the labour market. We have chosen only to respond to the terms of reference where we have experience and relevant evidence. Further information on our work is available on our website

www.carnegieuktrust.org.uk.

Evidence Base

In 2012, the Carnegie UK Trust published [Enterprising Minds](#), a UK-wide study into student attitudes to entrepreneurship, education and the future economy. The report focuses on how students view practical enterprise - starting a business or working self-employed - and the contribution that enterprise education makes to their understanding of the world of work.

In total, more than 1600 students took part in Enterprising Minds through 17 further education colleges across the UK. The findings provide a new picture of what 16-21 year olds across the UK think about working for themselves or starting a new business. With 45 questions producing more than 70,000 question responses, it is one of the most comprehensive studies of its kind to have been undertaken in Europe, and is believed to be unique in design and delivery in the UK. The findings from the peer-to-peer surveys and the electronic survey provide comparable data from the four jurisdictions of the UK. In Wales, 348 further education students were surveyed.

Welsh respondents to our survey were the most interested in entrepreneurship, had the strongest intentions to pursue self-employment and scored highest on the Carnegie Measure of Student Attitudes to Enterprise. In 2014 we published [The Welsh Dragon: the success of](#)

[enterprise education in Wales](#) which showcases the Welsh Government's Youth Entrepreneurship Strategy and the impact of the Strategy on the aspirations and entrepreneurial skills of young people, and the number of young people starting businesses in Wales.

We have drawn on our policy and practice work in the field of enterprise education and entrepreneurial learning to inform our response.

Effective support for young people

The [Youth Entrepreneurship Strategy: An Action Plan for Wales 2010-15](#) provides a structure, focus and direction for entrepreneurship education in Wales until 2015. The Strategy is designed to provide learners aged 5 to 25 with entrepreneurial skills, a positive attitude, and to raise their aspirations in whichever career path they pursue. It is designed with a broad vision of enabling young people to contribute to the economic and social success of Wales, and consists of the following themes:

- **Engaging young people with entrepreneurship.** Young people are made aware of entrepreneurship and business start-up as a possible career option from an early age, for example, through the [Role Models programme](#).
- **Empowering young people with entrepreneurial learning opportunities.** Following initial awareness-raising about entrepreneurship as a viable career choice, young people are empowered to develop their own entrepreneurial skills through enterprise challenges and activities throughout the curriculum and beyond.

- **Equipping young people with the skills and support to create and grow their own businesses.** The final delivery theme of the Strategy is to equip young people with the necessary tools to start their own businesses, through courses such as [Enterprise by Design](#) and start-up support through opportunities such as the [Big Ideas Wales Challenge](#).

Evidence suggests that there are at least three ways in which exposure to and participation in enterprise education and entrepreneurial learning appears to have an impact on learners in Wales, and helps them to contribute to the economic and social success of the country:

- **Increased aspirations.** Our semi-structured interviews with practitioners of entrepreneurial learning in Wales found that the aspirations of students who participated in enterprise competitions and challenges at college have risen as a result of an increase in their confidence levels. For example, of the six students from Bridgend College who took part in enterprise competition [Trading Places](#) in 2013, half now aspire to go to university, an option they did not believe was possible previously.
- **Entrepreneurial skills.** [Evidence](#) shows that since the introduction of the Welsh Assembly Entrepreneurship Action Plan in 2002, early-stage entrepreneurial activity among young people increased from 3.5% in 2002 to 10% in 2011.
- **Business start-up.** The Higher Education Business and Community Interaction Survey 2011-12 found that Welsh universities have 5% of

the UK's higher education students, but generate over 9% of UK graduate start-ups. More than 11% of these start-ups successfully trade for three years or more.

Next steps

Participation in enterprise competitions and challenges throughout the curriculum has a proven impact on learners' skills. For example, an internal evaluation of participants in multidisciplinary course Enterprise by Design found that 88% of those enrolled believed that their team-working skills had developed, and 75% were more confident in their skills and abilities. Overall, 72% saw a development in their entrepreneurial skills and 56% believed that their employability skills had improved. However, the Trust believes that there are two further steps which can be taken in Wales to support young people into the labour market following participation in these challenges: the provision of funding to pursue small business ideas and accreditation of youth entrepreneurship activities.

Funding to pursue small business ideas

The Trust's survey of student attitudes found that there is widespread enthusiasm among students for opportunities to test out their enterprising ideas, with 74% of respondents agreeing or strongly agreeing that grants, loans and funding to pursue small business ideas after college would be helpful. An example of such support is the Trust's enterprise competition [TestTown](#), a pilot project launched in 2013 in which young entrepreneurs develop innovative business ideas which can be delivered using vacant spaces in town centres. Young people across the UK applied through a national online system, over a three month period. 11 ideas were selected to come together for a popup finals festival event in Dunfermline at the end of

June 2013. The finalist businesses were given a small development grant, mentoring and support, with the winner being awarded a £10,000 prize. Of the 32 finalists, 11 were in business before TestTown, and one month after the final, 24 of the traders were in businesses or were in the final stages of starting up. In 2014, local heats of TestTown took place across the UK; one of which was held in [Rhyl](#). The grand final took place in [Cambridge](#) and culminated in another young entrepreneur winning a £10,000 prize. An [evaluation](#) of TestTown found that as a result of participating in our project:

- 56.3% of the finalists strongly agreed that they felt more confident in handling new working challenges;
- 62.5% strongly agreed that they had gained new skills that would help them start up, and
- 81.2% strongly agreed that their personal enterprise initiative would lead to business success.

As the inquiry continues, we would therefore encourage the Committee to consider the provision of small grants, loans and funding to support young enterprising people into the labour market and to improve their employability.

Accreditation of youth entrepreneurship activities

In order to capture the experiences and skills of young people taking part in enterprise competitions and challenges which enhance their employability and credibility as young entrepreneurs, the Trust supports increasing calls across the UK and Ireland for accreditation of youth entrepreneurship

activities. There are a number of different strategies for accrediting youth entrepreneurship activities such as an [Enterprise Passport](#) proposed by Lord Young, and we hope to explore these with the Deputy Minister for Skills and Technology in a roundtable on youth entrepreneurship in Wales in spring 2015.

We hope that you find these comments helpful. If you would like to discuss our response, or would like to find out more about our work please contact my colleague Lauren Pennycook, Policy Officer at lauren@carnegeuk.org or by telephone 01383 721 445.

Yours sincerely,

A handwritten signature in black ink that reads "Martyn Evans". The signature is written in a cursive style.

Martyn Evans
Chief Executive