

Attitudes of young people toward entrepreneurship

Youth Entrepreneurship Barometer 2007

Results of a representative survey of young people and teachers in Germany

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1 A brief look at the results

Attitudes toward entrepreneurs: Young people have a positive but realistic view of entrepreneurs.

The Youth Entrepreneurship Barometer (YEB) survey of young people shows that a majority of young people today hold (cautiously) favorable attitudes toward entrepreneurs, with 12 percent having a “very favorable” and 87 percent a “somewhat favorable” opinion.

Young people often know an entrepreneur personally, which tends to make their perceptions more positive, as do work experiences. Parents and teachers are also likely to have a favorable effect on young people’s attitudes toward entrepreneurs. Young people report that the main negative influence on their attitudes comes from the media.

Openness to entrepreneurship: Young people in Germany are open to the idea of going into business for themselves.

Young people are very idealistic about the possibility of becoming entrepreneurs themselves. Three quarters of school-age youth express a general openness to the idea of establishing their own company and going into business for themselves. Fifteen percent of them will “definitely” consider that option, 61 percent “maybe.” Forty-four percent regard themselves essentially as “entrepreneur types,” while 57 percent consider themselves at least capable of developing entrepreneurial skills.

Schools: Young people still lack adequate knowledge of economics.

The Youth Entrepreneurship Barometer shows that young people still believe that their knowledge of economics is inadequate. Only 8 percent describe their current knowledge in this area as “good,” a further 50 percent report that they have “some” knowledge,” while 42 percent say that they have “hardly any” knowledge of economics or “none at all.” Teachers in various types of schools would like to do more to increase their students’ knowledge in this area.

2 Introduction

Initial results from the 2007 Youth Entrepreneurship Barometer (YEB)

Young people in Germany are open to the idea of entrepreneurship. This positive result is revealed by the data on attitudes toward entrepreneurship collected for the first time by the Bertelsmann Stiftung's Youth Entrepreneurship Barometer (YEB).

A national representative telephone survey of young people between the ages of 15 and 20 asked them about their perceptions of entrepreneurs, their willingness to go into business for themselves and what aspects of entrepreneurship they found appealing or daunting.

The YEB study is unusual in that it investigates not only young people's opinions and needs, but also the role of schools and teachers in conveying information about entrepreneurship and imparting relevant skills to their students.

For purposes of comparison, the YEB teacher survey shows how teachers perceive entrepreneurs and asks about their perspective on the topic of "entrepreneurship" in schools. These questions were asked of a national sample of 500 teachers in various types of schools.

The aim of the teacher survey was to determine to what extent entrepreneurship already plays a role in schools and whether teachers think it needs to be made a more permanent part of the curriculum.

- The Barometer was conducted and analyzed in the summer of 2007 by TNS Infratest Sozialforschung in Munich on behalf of the Bertelsmann Stiftung.
- The telephone survey of young people began with a pretest on June 28. Both the pretest and the main survey were conducted using CATI (computer-assisted telephone interviewing) technology. The main survey was completed on July 25, at which time the target number of 1,500 interviews had been carried out.
- In addition, between June 26 and July 23, 2007, 500 personal interviews were conducted with teachers throughout Germany, using CAPI (computer-assisted personal interviewing) technology.

The data presented below document the positive attitudes found by the YEB toward entrepreneurship. A more complete description of the study with detailed results will be available for download in December 2007 at www.bertelsmann-stiftung.de/youth-entrepreneurship.

3 Attitudes of young people and teachers toward entrepreneurs

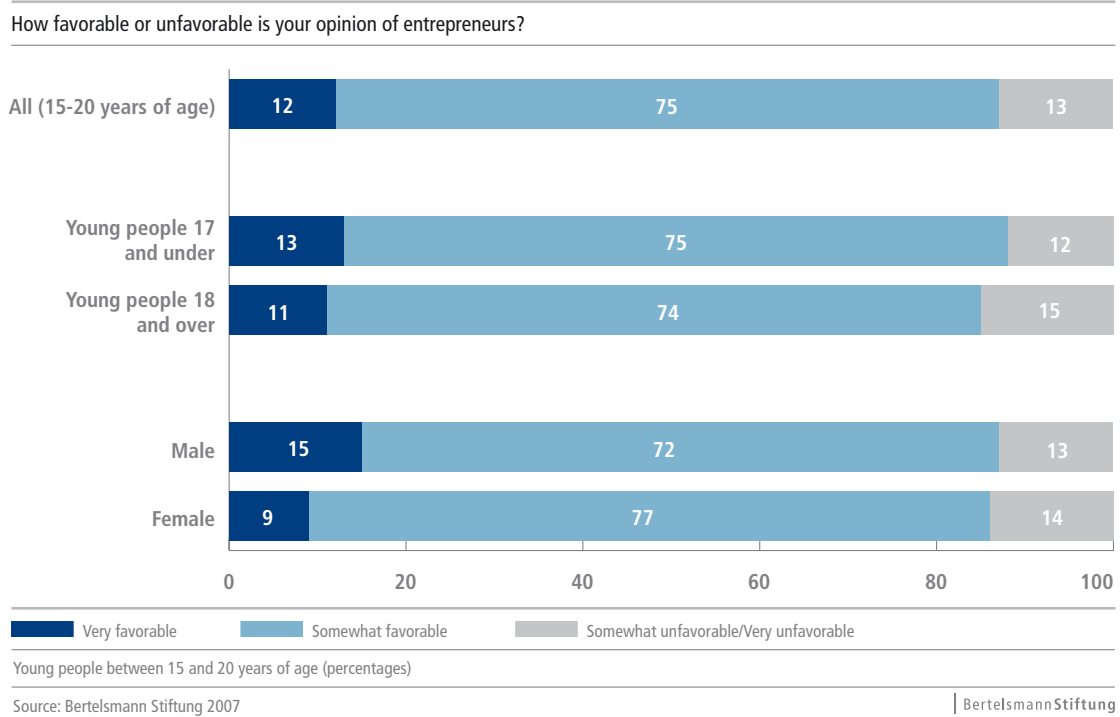
When young people are asked which companies they admire, at the top of the list are companies like Microsoft, Siemens, BMW and Daimler, but VW, Google, Porsche, Deutsche Telekom and Adidas are highly regarded as well. The first name elicited by the question “Is there a German or international entrepreneur you admire?” is generally that of Microsoft’s founder, Bill Gates (who is mentioned much more often than any other individual), but subsequent responses to this open-ended question list entrepreneurs among the respondents’ acquaintances or extended families. Only then do these young people mention Steve Jobs (Apple) or Karl and Theo Albrecht, the brothers behind the Aldi supermarkets.

The results below show what factors influence the attitudes of young people and their teachers toward entrepreneurs and their role in society.

3.1 Young people's attitudes toward entrepreneurs

As noted above, the YEB survey shows that a majority of young people today are favorably disposed toward entrepreneurs: 75 percent have a “somewhat favorable” and 12 percent a “very favorable” opinion; only 13 percent respond that their opinion is “somewhat unfavorable” or “very unfavorable” (Fig. 1). Young men tend to be more favorably inclined than young women.

Figure 1: Attitudes toward entrepreneurs

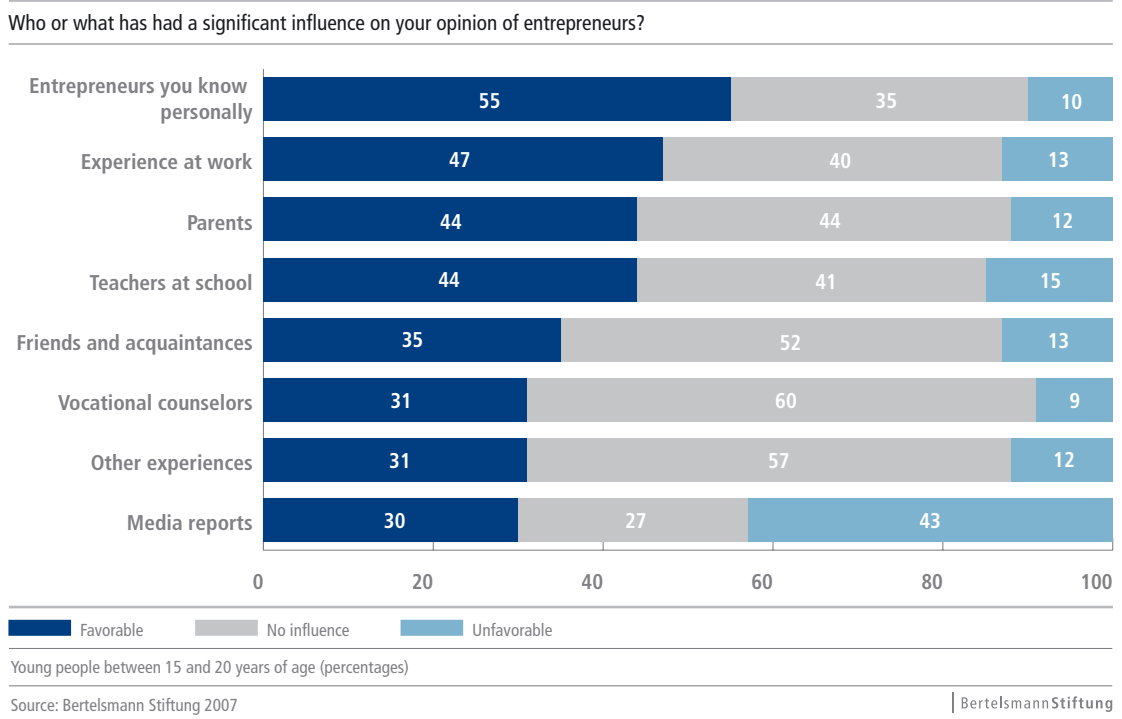


We turn now to the question of which factors shape these attitudes and how teachers, as part of young people's immediate environment, view entrepreneurs.

3.2 Factors that shape young people’s attitudes

Personal contact and experience with entrepreneurs (for example at work) have a much stronger influence on young people’s opinions than do parents, teachers, friends, etc.

Figure 2: Factors that influence attitudes toward entrepreneurs

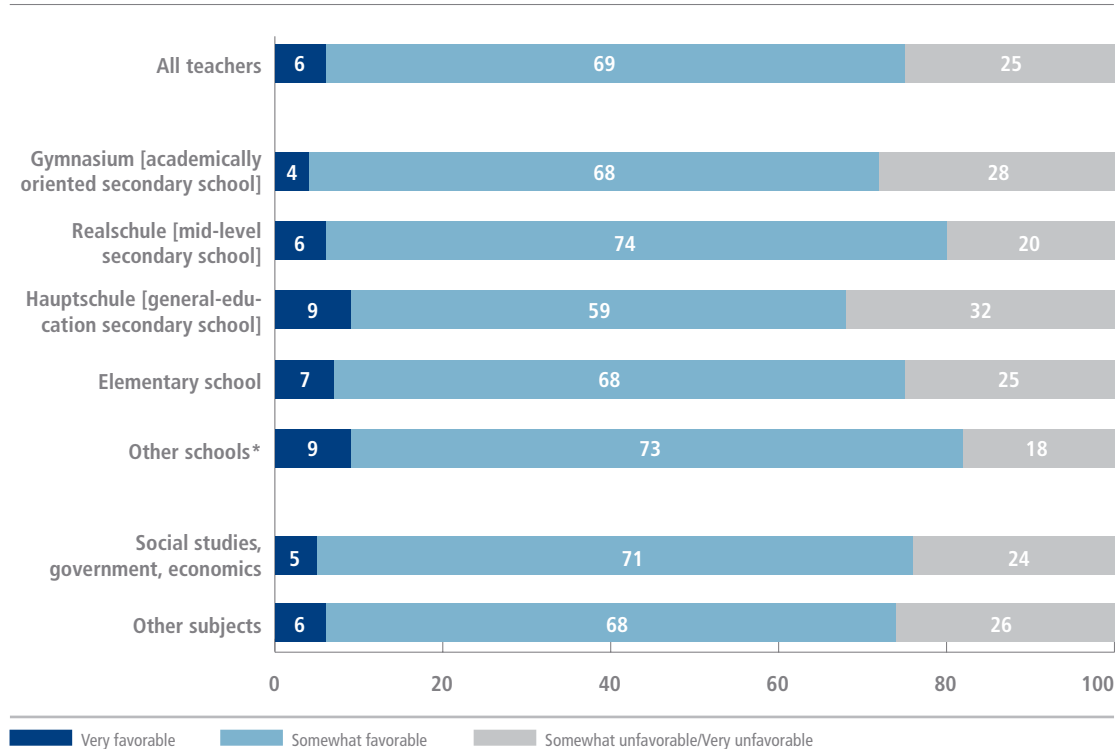


Media reports generally have a negative effect on young people’s attitudes toward entrepreneurs. Perhaps this is because such reports concentrate on large corporations, and unfavorable stories on top-level executives are more likely to make headlines. Reports about incompetent management, overly entitled senior executives at certain large corporations and the actions of shady investment companies tend to obscure the important contribution entrepreneurs make to society.

Along with parents and personal contacts with entrepreneurs, teachers have a significant influence on their students' attitudes. The YEB teacher survey reveals that while teachers in Germany are somewhat more critical than young people, only one quarter have an "unfavorable" or "very unfavorable" opinion of entrepreneurs (Fig. 3). There is greater skepticism among teachers in Hauptschulen [general-education secondary schools], perhaps because their students are confronted with greater difficulties as they seek to make the transition from school to the job market.

Figure 3: Teachers' attitudes toward entrepreneurs

How favorable or unfavorable is your opinion of entrepreneurs?



National teacher sample (percentages). *Not including comprehensive schools and special education schools.

Source: Bertelsmann Stiftung 2007

BertelsmannStiftung

In addition to providing general information on the attitudes of young people and teachers toward entrepreneurs, the study sheds light on how young people see the role of entrepreneurs in society.

3.3 How young people see the role of entrepreneurs

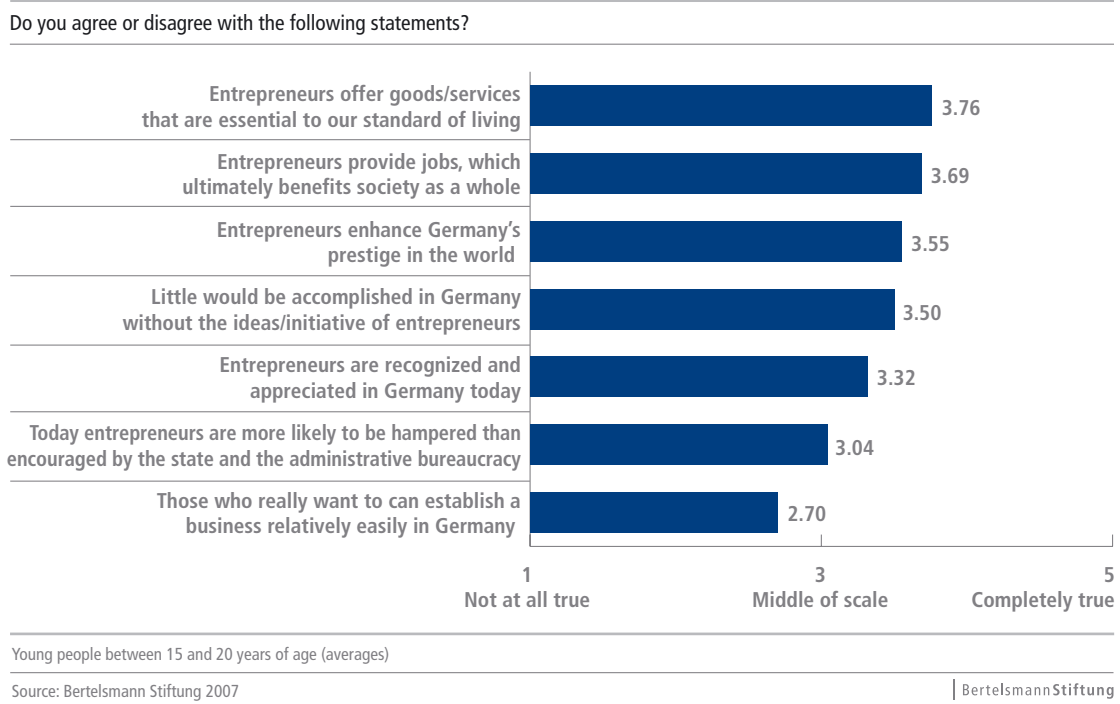
Young people recognize that entrepreneurs and their performance in the market are essential for ensuring their companies' success while at the same time producing goods and services that have a positive effect on the overall standard of living (Fig. 4).

There is nearly as much awareness of the importance of entrepreneurs in providing jobs.

Young people concur with the statement that companies help to promote Germany as a business site by producing ideas and innovations, and that they increase the country's prestige in the world.

Opinions are mixed as to whether state and administrative bureaucracies hamper entrepreneurial activity in Germany, and young people tend to doubt that it is easy to become an entrepreneur in Germany.

Figure 4: Positive aspects of entrepreneurship as identified by young people

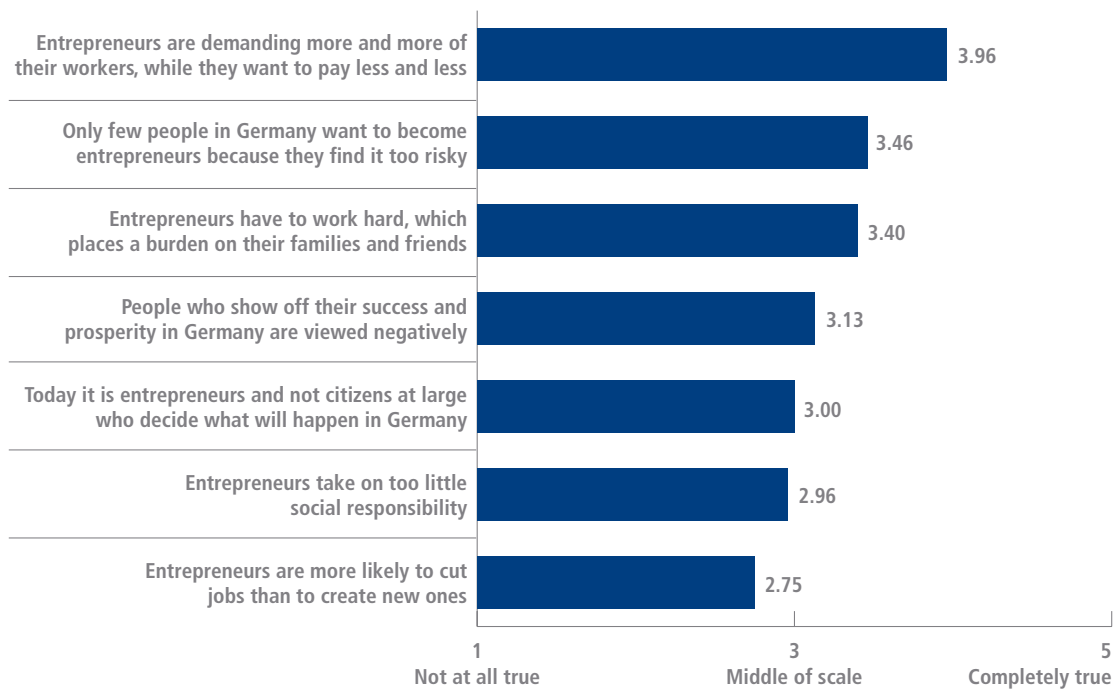


Young people are also very much aware of the other side of today's business world: ever-increasing pressure to perform on the job, coupled with wage restraints that have been in effect for years (Fig. 5).

Furthermore, they recognize the problematic aspects of entrepreneurship, ranging from business risks to long hours at work, at the expense of family and friends.

Figure 5: Negative aspects of entrepreneurship as identified by young people

What about these statements: Do you agree or disagree?



Young people between 15 and 20 years of age (averages)

Source: Bertelsmann Stiftung 2007

BertelsmannStiftung

The picture is not entirely clear when it comes to certain culturally or ideologically based assumptions, such as the contention that entrepreneurs shirk their social responsibilities and the view that ultimately, entrepreneurs' own personal business objectives come first relative to other interests that are important to society as a whole.

There is no clear acceptance or rejection of the widely held view that in Germany (in contrast to the United States, for example) showing off one's economic success is frowned upon.

4 Young people's views on going into business for themselves

Having concluded that young people's attitudes toward entrepreneurs are quite positive, the study investigated their views on going into business for themselves. Understanding their responses also requires examining their own perceived entrepreneurial skills and general knowledge of economics.

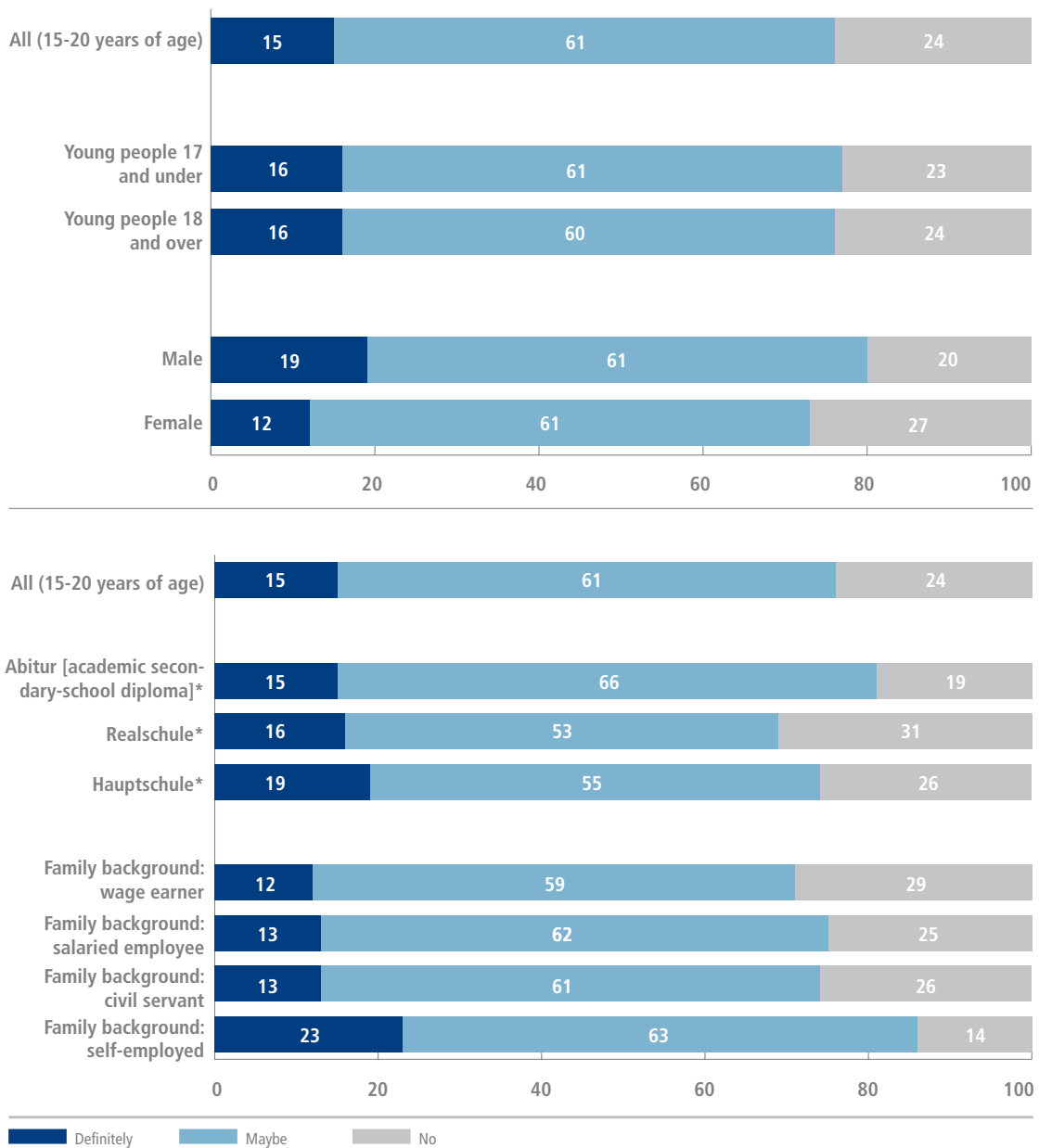
4.1 Young people and entrepreneurship

Three quarters of young people of school age in Germany are basically receptive to the idea of establishing their own company and going into business for themselves. Fifteen percent of them are "definitely" considering this course, 61 percent "maybe" (Fig. 6). Their responses were not correlated with age, but there were differences by gender: Young men are substantially more likely to consider entrepreneurship (19 percent "definitely") than young women (12 percent "definitely").

If we look only at the group that would "definitely" consider going into business for themselves, the percentages decline steadily with increasing levels of education. Among students and graduates of the Hauptschule, nearly one-fifth wholeheartedly embrace the idea of entrepreneurship. In addition, young people from entrepreneurial families are also more likely to choose self-employment for themselves. On the other hand, the likelihood of considering entrepreneurship is substantially lower among young people whose fathers are not self-employed (wage earners, salaried employees, civil servants). This underscores how important parents are as role models and for promoting a culture of entrepreneurship in Germany.

Figure 6: Interest in entrepreneurship

Would you consider going into business for yourself or establishing your own company?



Young people between 15 and 20 years of age (percentages) * Completed or currently in school

Source: Bertelsmann Stiftung 2007

Bertelsmann Stiftung

When young people report that they would be interested in going into business for themselves (“definitely” or “maybe”), are there objective reasons for this response?

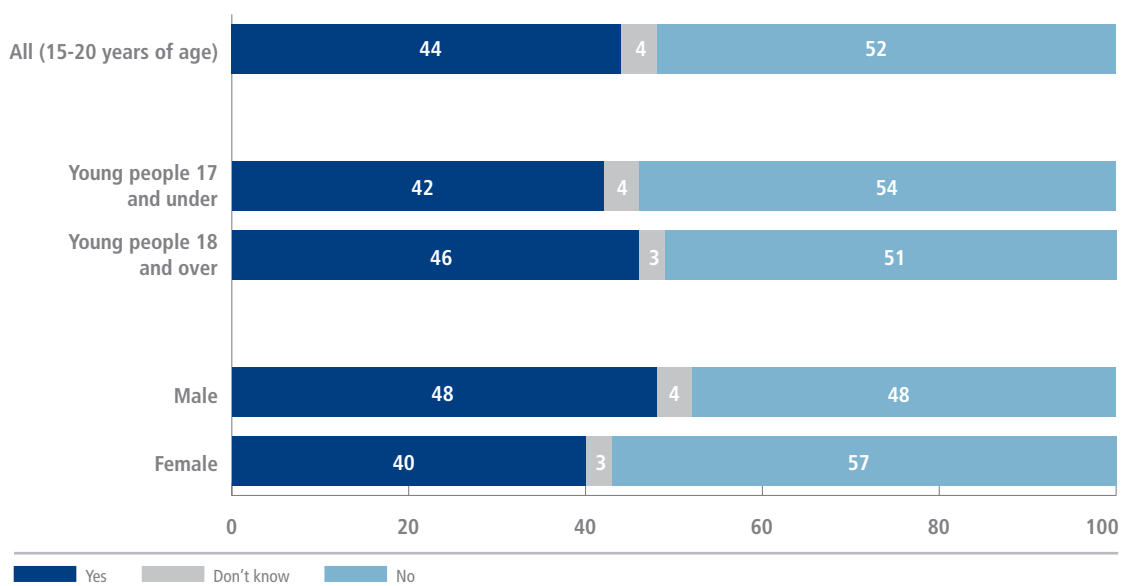
Setting aside the question of whether entrepreneurs are born or made, the study also investigated how young people assessed their own skills and whether they saw themselves as “entrepreneur types.”

4.2 Young people as “entrepreneur types”

Whether or not there is even an “entrepreneur type,” an impressive 44 percent of young people believe that they are essentially the right sort of person for entrepreneurship (Fig. 7). It is evident that they have a great deal of self-confidence, which is also reflected in the low level of uncertainty in their responses. This sense of themselves as potential entrepreneurs is more pronounced among young men (48 percent) than among young women (40 percent) and among older than younger youth.

Figure 7: Self-assessment as “entrepreneur type”

Do you think that you are basically suited to being or becoming an entrepreneur?



Young people between 15 and 20 years of age (percentages)

Source: Bertelsmann Stiftung 2007

BertelsmannStiftung

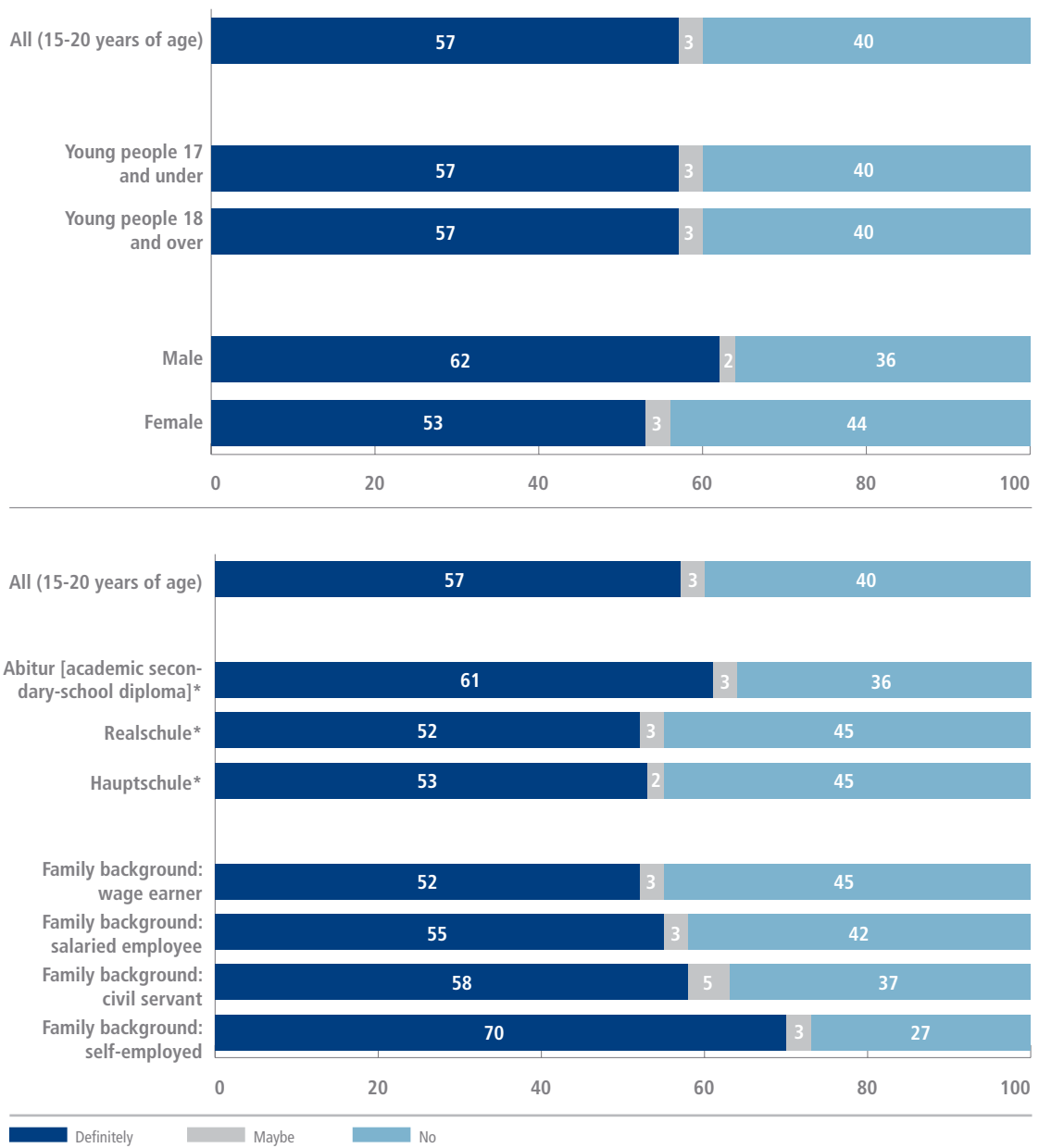
4.3 Self-assessment of entrepreneurial abilities

Fifty-seven percent of respondents reported that they had entrepreneurial abilities (Fig. 8). Moreover, nearly all of those young people who indicated that they did not yet have such abilities were convinced that they could acquire them. These results did not differ by age, although a comparison by gender is more revealing: 62 percent of young men, but only 53 percent of young women believe that they have the necessary skills.

This self-assessed entrepreneurial ability was correlated with educational level. Young people who had completed or were working on their Abitur [academic secondary school diploma] were more likely to perceive themselves as having the capabilities required of an entrepreneur (Fig. 8).

Figure 8: Self-assessment of entrepreneurial abilities

Do you think that you have the necessary abilities to be or become an entrepreneur?



Young people between 15 and 20 years of age (percentages) *Completed or currently in school

Source: Bertelsmann Stiftung 2007

Bertelsmann Stiftung

It is striking, but logical intuitively, that young people who have grown up in entrepreneurial households and thus with relevant role models would identify entrepreneurial characteristics in themselves: More than two thirds of these young people (70 percent) believe that they have the skills required of an entrepreneur. Young people from wage-earner or salaried-employee families are the least likely to claim such skills. Here, too, it is clear that socialization is of enormous importance in promoting a culture of entrepreneurship.

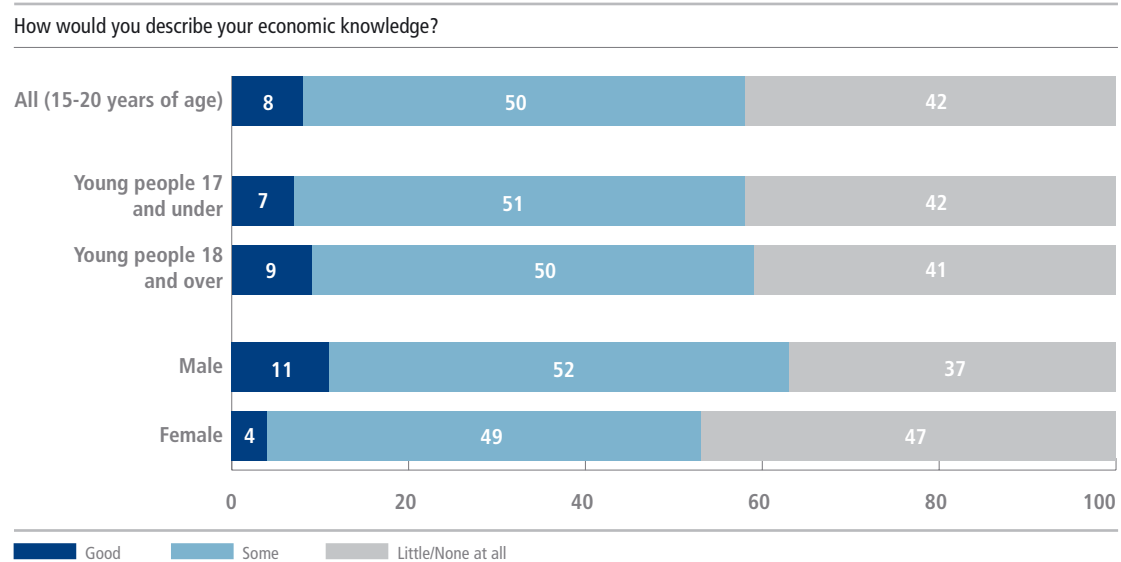
The YEB study not only asked specific questions about entrepreneurship, but also investigated young people's knowledge of general economics.

4.4 Self-assessment of knowledge of economics

Young people tend to be critical in assessing their own knowledge of economics. Only 8 percent describe their economic knowledge as “good,” while 50 percent report that they have “some” knowledge. Forty-two percent report that they have “little” knowledge of economics or “none at all” (Fig. 9).

Male youth claim substantially more knowledge of economics than their female counterparts. Nearly half of young women report that they have little or no knowledge in this area. Age makes no difference here; young people do not indicate that their competence in economics increases as they grow older.

Figure 9: Self-assessment of economic knowledge



Young people between 15 and 20 years of age (percentages)

Source: Bertelsmann Stiftung 2007

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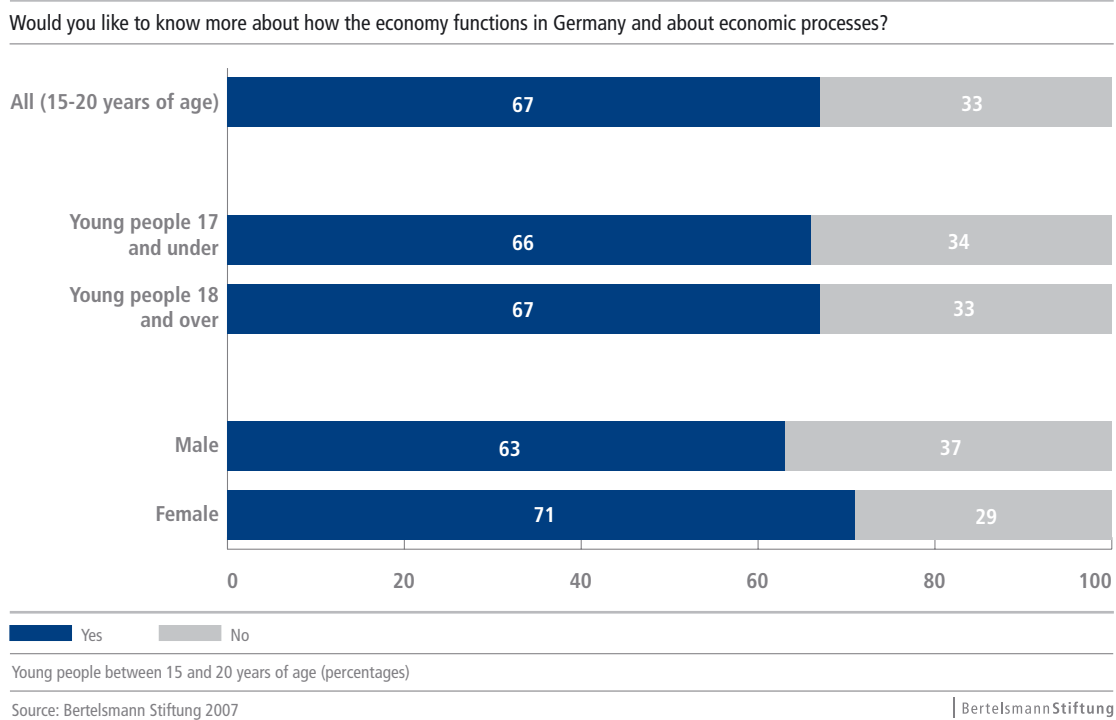
5 Entrepreneurship in schools

In addition to determining to what extent the subject of entrepreneurship is dealt with in schools, we present below further findings from the study with respect to the general topic of economics. Here economics is used as a point of reference for entrepreneurship.

5.1 Economics in the classroom

While young people report relatively little knowledge of economics, they are very much interested in learning more about economic processes. Sixty-seven percent would like to learn more (Fig. 10). Young women in particular show interest in expanding their specific knowledge of economics.

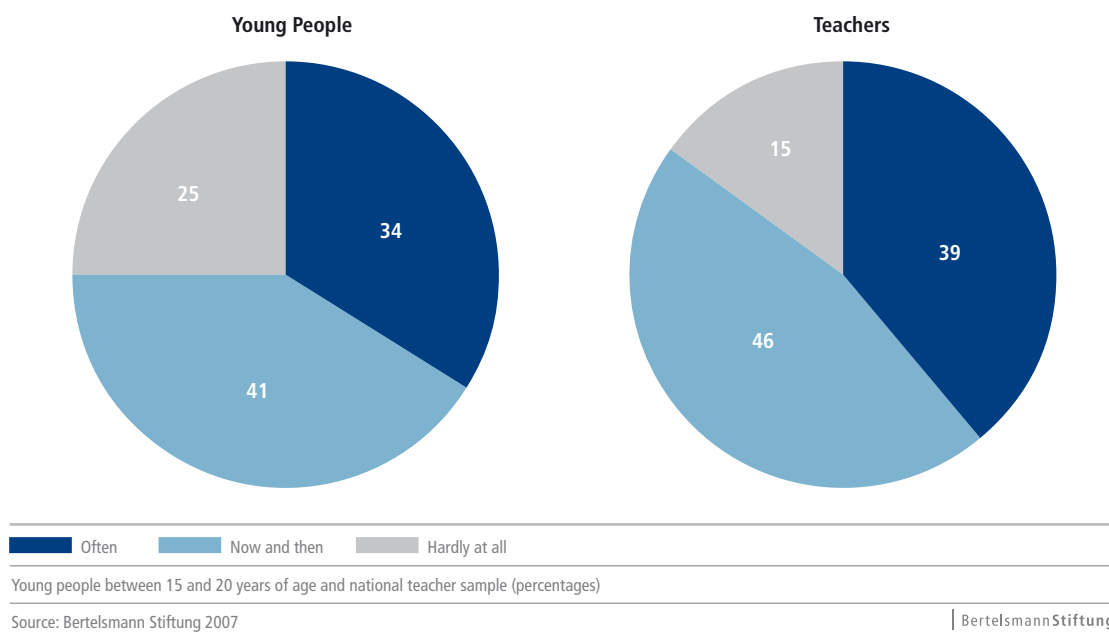
Figure 10: Interest in gaining more economic knowledge



Schools need to make a contribution in this area; only 34 percent of students and 39 percent of teachers report that economic subjects are dealt with “often” in school, the rest responded “now and then” or “hardly at all.”

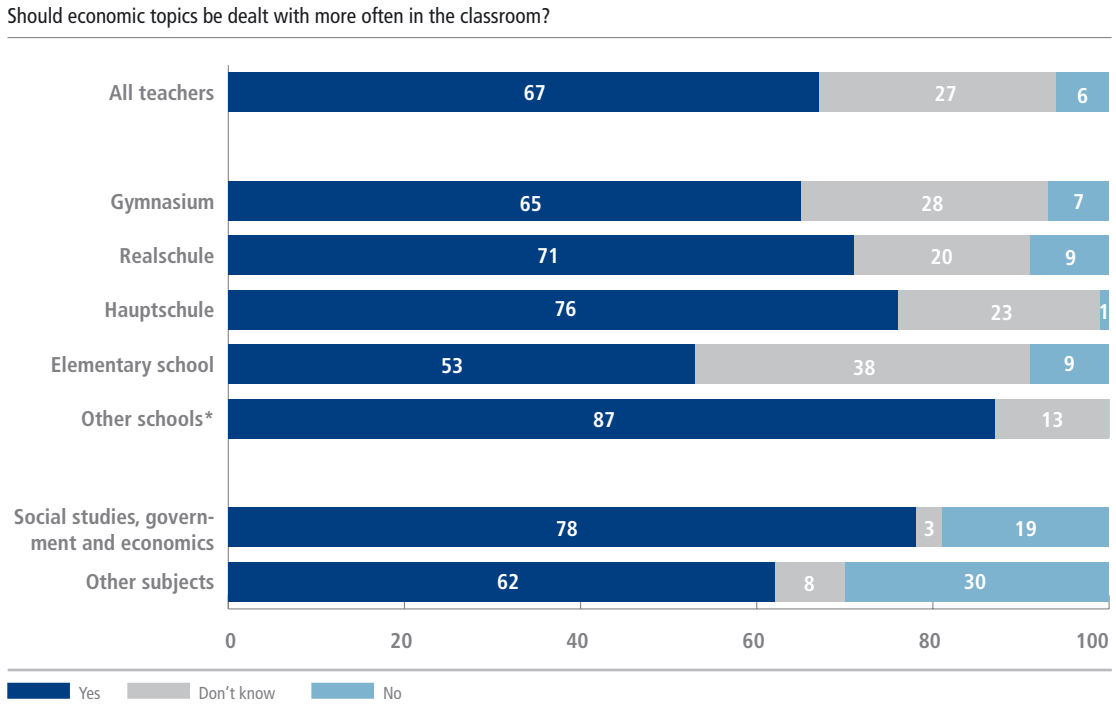
Figure 11: Frequency of economic topics in the classroom

How often are economic topics dealt with at school, in your classroom? (young people)
How often are economic topics discussed in classroom instruction? (teachers)



Should this change in the future? Most teachers (67 percent) believe that economics should be dealt with more often in the classroom (Fig. 12). This holds true for teachers in the Hauptschule and Realschule as well as the Gymnasium.

Figure 12: Economic topics in school from the perspective of teachers



National teacher sample (percentages). *Not including comprehensive schools and special education schools

Source: Bertelsmann Stiftung 2007

BertelsmannStiftung

Questions focusing on entrepreneurship (see below) reveal that there are ways to make a difference here as well.

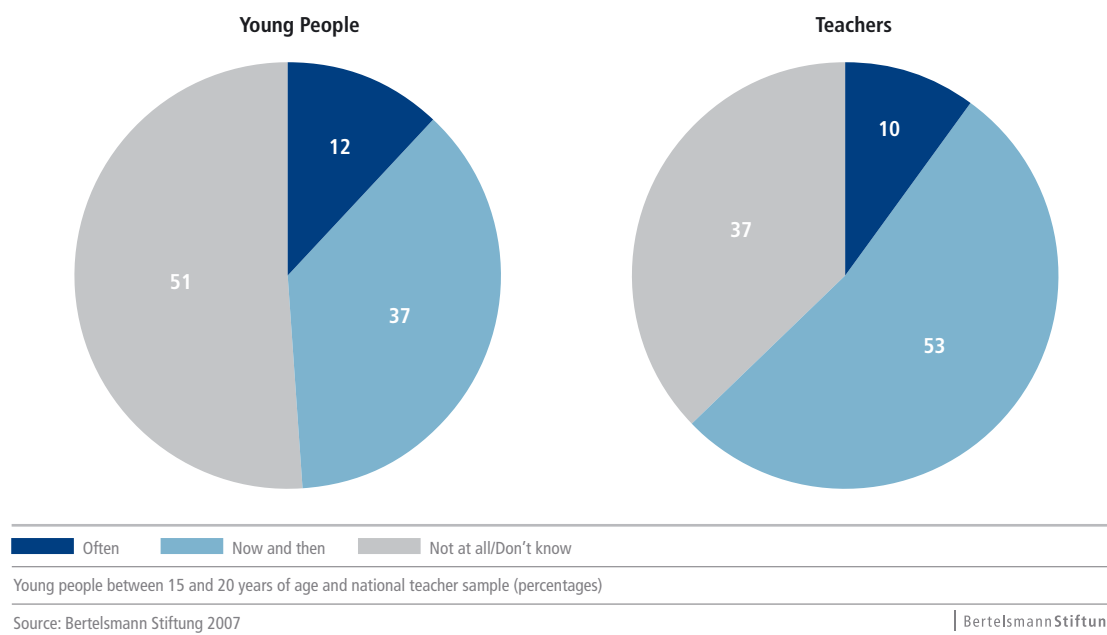
5.2 The subject of entrepreneurship in schools

It is evident that schools need to make a larger contribution to preparing young people for entrepreneurship. When asked how often the question of “What kind of work does an entrepreneur do, and how is an independent business run?” is discussed in the classroom, only 10 percent of teachers responded “often” (Fig. 13), while 53 percent said “now and then” and 33 percent responded “not at all” (the rest, 4 percent, said “I don’t know”).

As for the topic of self-employment in the classroom, there are remarkable differences in the perceptions of teachers and students. Young people are much less likely than teachers to report that it is part of classroom instruction.

Figure 13: The topic of self-employment in schools

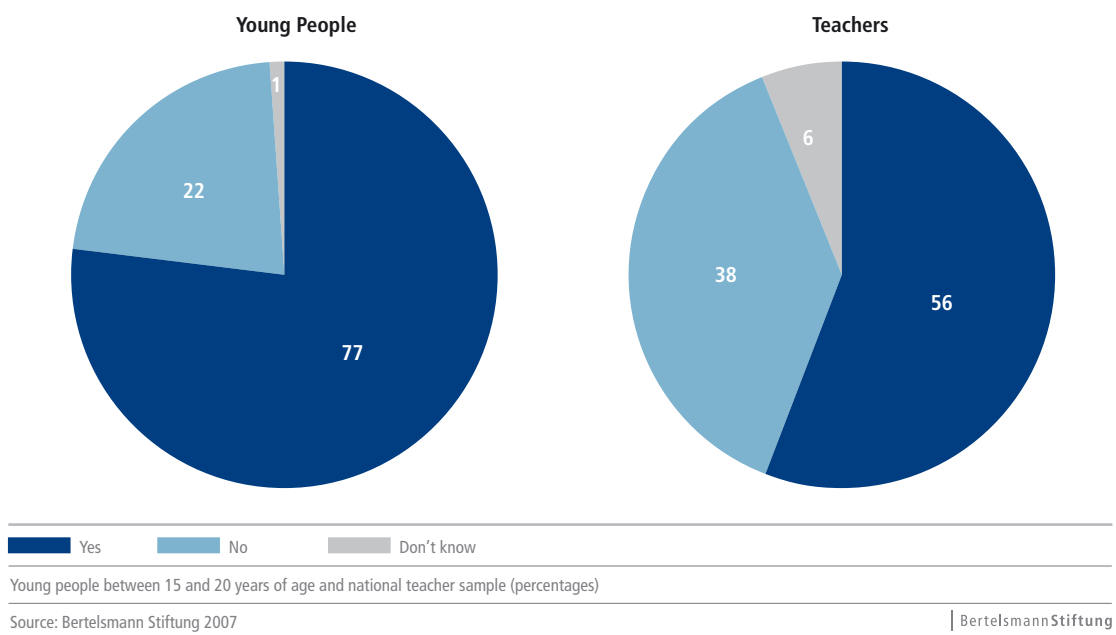
Are the work of an entrepreneur and the independent running of a business subjects that are or have been taught in your school? (young people)
To what extent are the work of an entrepreneur and the independent running of a business subjects that are currently taught in the classroom and the schools? (teachers)



Many teachers, but far more young people, think that the subject of entrepreneurship belongs in schools and the classroom.

Figure 14: Importance of the topic of self-employment in schools

Should this topic play a greater role in schools? (young people)
Should this topic play a greater role in the classroom and the schools? (teachers)



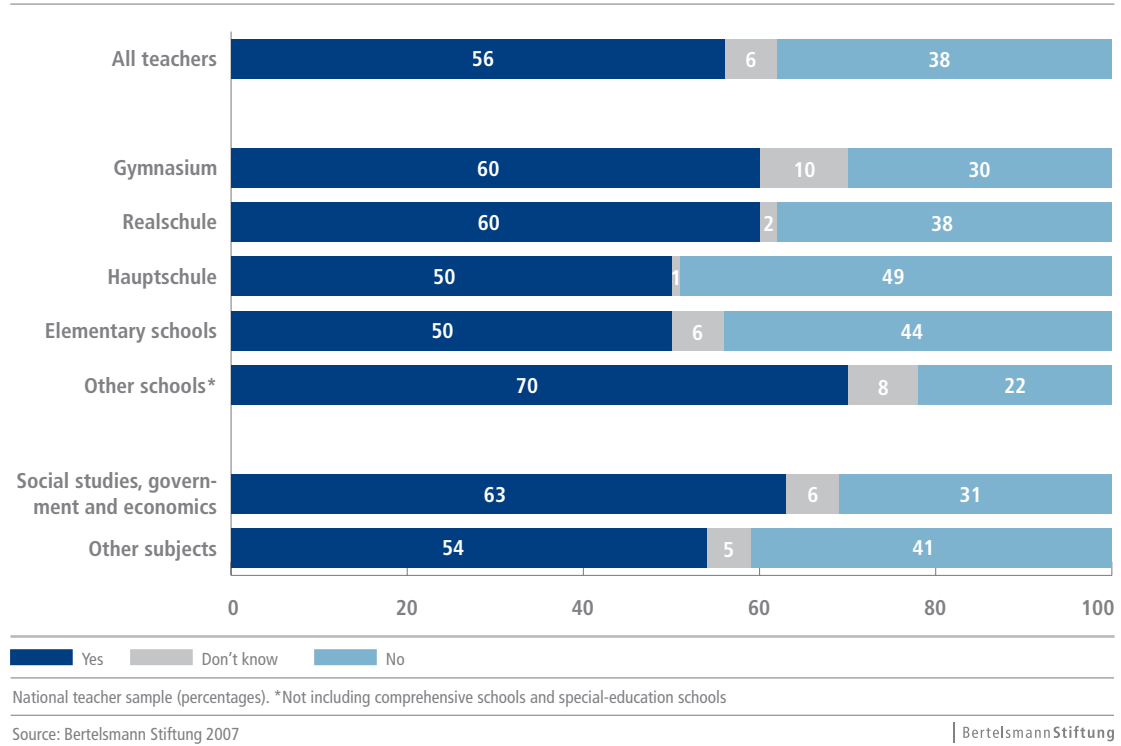
Fifty-six percent of teachers believe that more attention should be devoted to this subject; teachers at the Realschule but also at the Gymnasium in particular voice this opinion.

Teachers at other schools are also quite receptive to this topic. While social-science teachers are more likely to favor including entrepreneurship in the curriculum, this subject has the support of an absolute majority of teachers of other subjects as well.

The lowest percentage of negative attitudes is found in the "other" schools and in the Gymnasium.

Figure 15: Future role of this topic in schools, from the perspective of teachers

Should the topic of entrepreneurship play a greater role in schools?



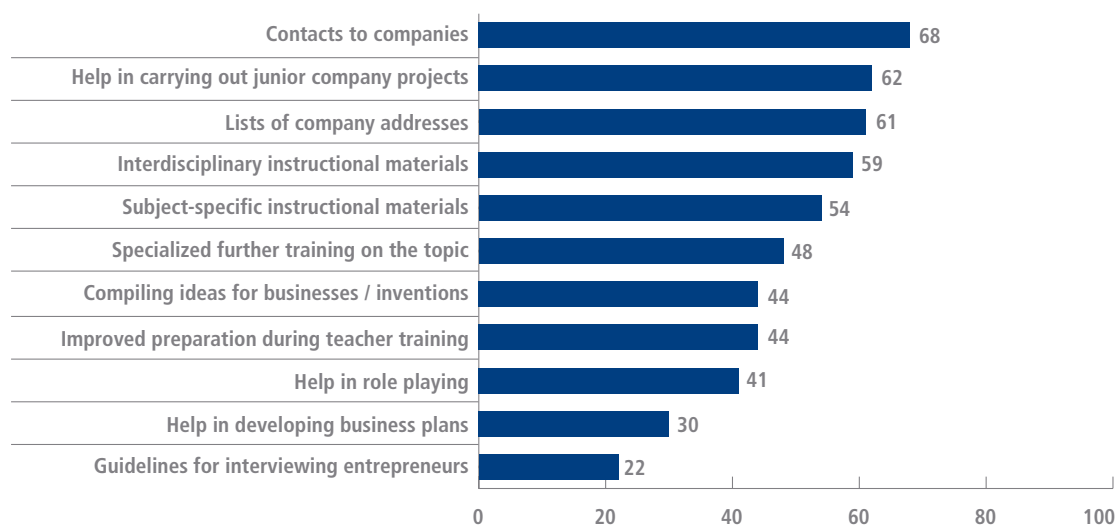
Now that a need for change has been identified, what steps should be taken to effect such change? What kind of change would be desirable? The YEB study considered these questions in more detail.

5.3 Promoting the teaching of entrepreneurship in the classroom and the schools

Teachers would like to have better access to entrepreneurs in order to facilitate the teaching of entrepreneurship in the classroom. This primarily means finding contacts to companies (68 percent) or obtaining a list of companies' addresses (61 percent) (Fig. 16). So-called junior companies or student companies are also very popular; many teachers (62 percent) expressed interest in learning more about implementing such junior company projects.

Figure 16: Ways to promote teaching of this topic, from the perspective of teachers

What might help to improve the teaching of entrepreneurship in the classroom and the schools?



National teacher sample (percentages)

Source: Bertelsmann Stiftung 2007

Bertelsmann Stiftung

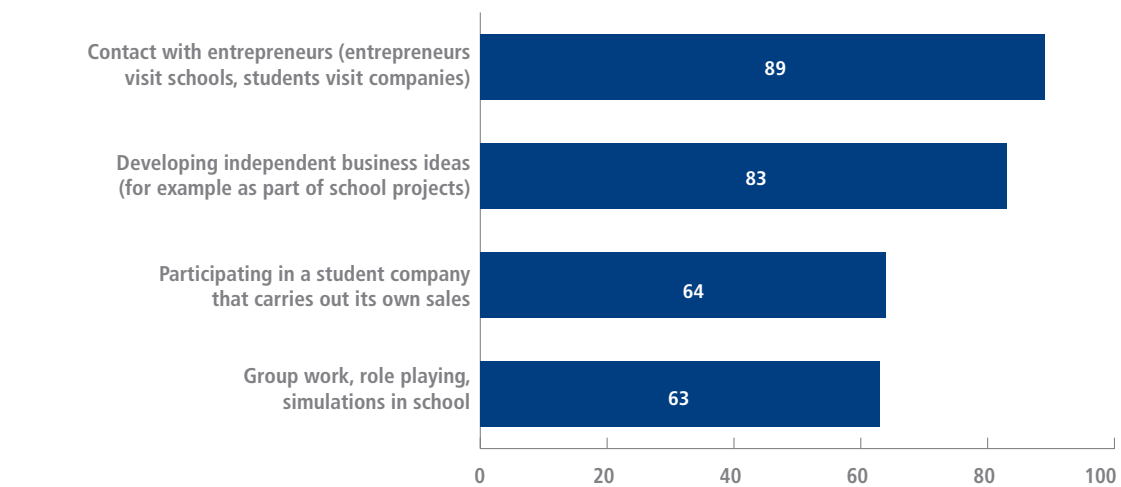
While guidelines for interviewing entrepreneurs were mentioned least often, teachers did show some interest in help for role playing or in a compilation of original business ideas or famous inventions. It is striking that teachers did not necessarily focus on improving teacher training in this area.

Young people themselves frequently expressed interest in contacts with entrepreneurs as they prepare for self-employment; such individuals might visit schools, or students could spend time visiting companies (Fig. 17). A sizable number of students thought it would be useful to develop their own ideas for businesses (for example as part of a school project).

Ranking somewhat lower, but nonetheless very popular ideas are participation in student companies, group work, role playing and simulations at school.

Figure 17: Promoting teaching of this subject in schools

What role should the topic of “Being an entrepreneur or self-employed” play in schools?



Young people between 15 and 20 years of age (percentages)

Source: Bertelsmann Stiftung 2007

BertelsmannStiftung

From the perspective of young people, schools can best encourage practical activities and experience related to entrepreneurship by cultivating contacts to companies or by developing business ideas (Fig. 17). Sixty-four percent of young people would like this to be done through student companies, while 63 percent would like to see the topic of “Being an entrepreneur or self-employed” integrated into the schools through group work, role playing and simulations.

Schools are certainly an appropriate venue for helping young people to become more competent in the areas of economics and entrepreneurship. This requires, however, that these subjects be part of the school curriculum.

6 Outlook

In order to promote the establishment of new enterprises, it is essential for a society to focus not only on removing common barriers, such as a lack of access to financing or an excess of bureaucracy. Much more attention needs to be paid to developing a culture of entrepreneurship as well.

The results of the Youth Entrepreneurship Barometer presented in this publication offer new insight into the attitudes of young people and teachers concerning entrepreneurship.

The 2007 YEB represents an initial stock-taking, showing the situation that currently exists. The study should be repeated on a regular basis so that progress can be identified.

Plans are being made to look beyond Germany's borders as well. How do young people in other countries – in Europe, but also in other parts of the world – view entrepreneurship? How do they learn to be entrepreneurs, and what approaches to teaching and learning do teachers use outside Germany? What can we learn from them?

These are questions we hope to answer as the Bertelsmann Stiftung continues its work. The Youth Entrepreneurship Barometer (YEB) is a useful tool in this context.

The complete YEB study, including comprehensive documentation of the survey results, will be published in December 2007.



7 Publishing information

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