

# RBS Enterprise Tracker, in association with the Centre for Entrepreneurs

4th Quarter 2014

Populus interviewed 3,811 UK adults online between 31st October and 3rd November 2014 in the latest wave of the RBS Enterprise Tracker, in association with the Centre for Entrepreneurs. This research is published quarterly and tracks people's attitudes to starting up in business. Results have been weighted to be representative of the UK adult population.

Populus is a member of the British Polling Council and abides by its rules. For more information see [www.populus.co.uk](http://www.populus.co.uk).

Throughout this summary young people are defined as being between 18–30 years of age, and high potential individuals are defined as being in full time employment, with a degree-level education and with a household income higher than £34,000.



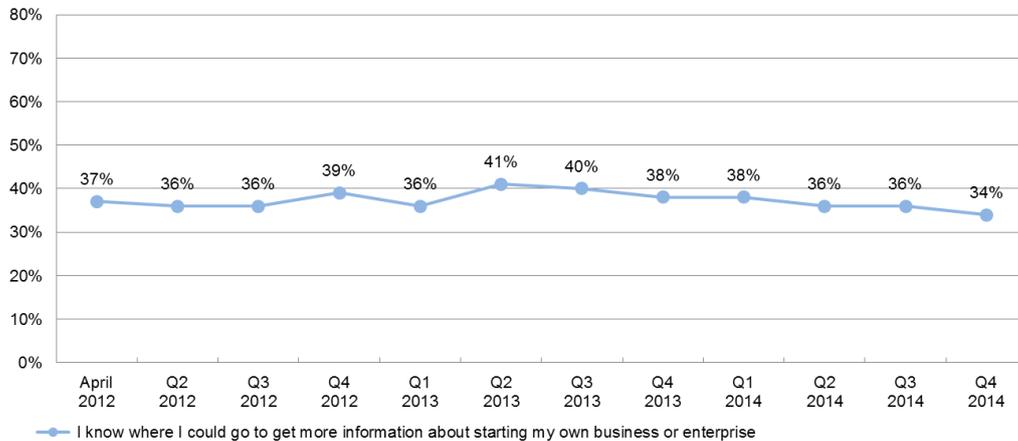
Research conducted by Populus on behalf of RBS



# Helping Entrepreneurs

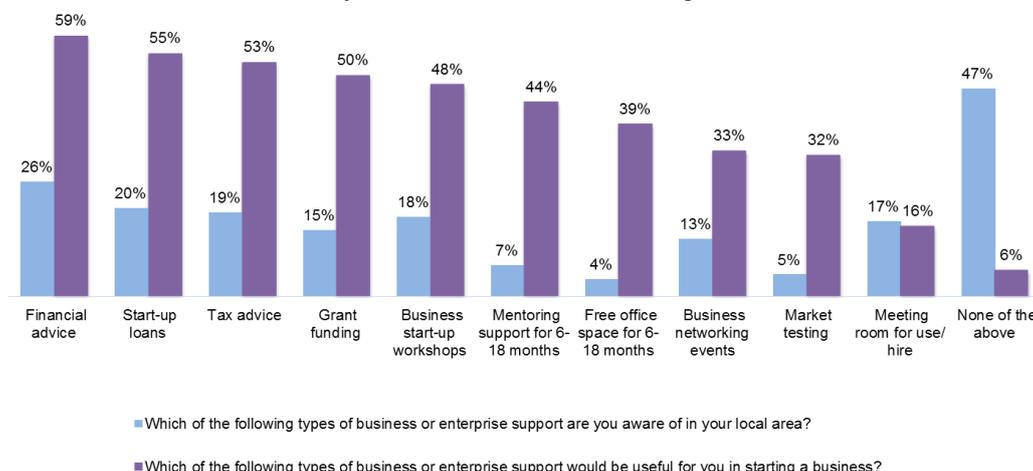
- Only a third (34%) of the public say that they know where to get information about starting a business. This has remained very stable for the past three years.

## I know where I could go to get more information about starting my own business or enterprise (Total agree)



Base: All respondents (3811)

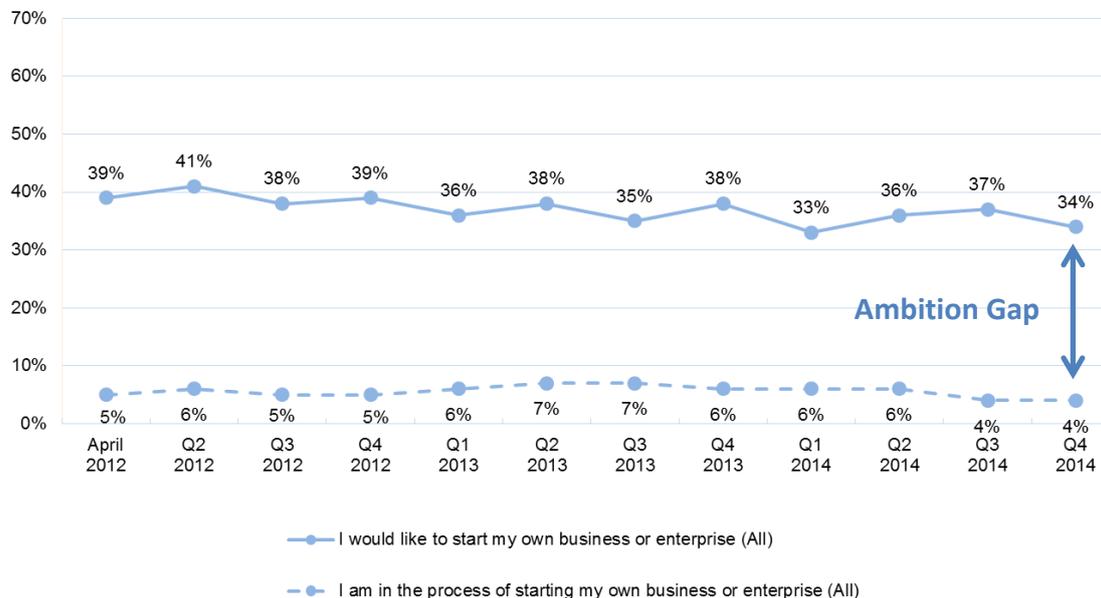
- When looking for support in starting a new business, a chasm exists between the support individuals would find useful and the support that they are aware of: nearly half (47%) of all UK adults who would like to start a business are not aware of any business or enterprise support in their area.
- A majority of those who would like to start their own business or enterprise (59%) would find financial advice useful, yet only a quarter (26%) are aware of financial advice being available in their local area. And while nearly half of would-be entrepreneurs (46%) would consult a bank for financial advice, only 12% would approach their bank for practical support.
- Awareness of mentoring is incredibly low (7%) compared to almost half of potential entrepreneurs who say this would be useful (44%).
- This gap is considerably less for high potential individuals (HPIs - those considered most likely to start high-growth businesses) but remains problematic. For example, 50% would find tax advice useful but only 22% are aware of this being available in their area.



Base: All who would like to start business or enterprise (1321)

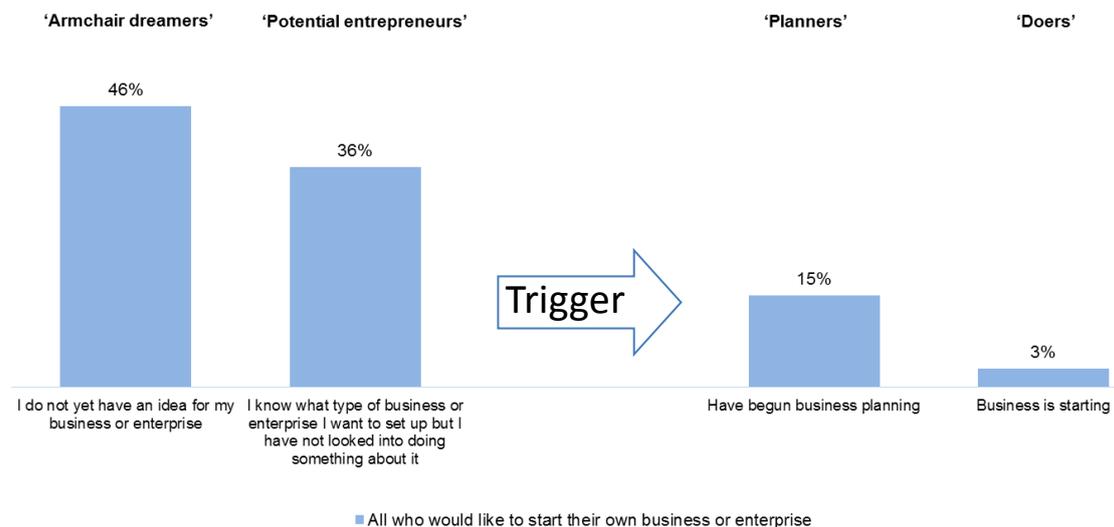
# The Pathway to Entrepreneurship

- Of those who are not already self-employed, a third would like to start their own business or enterprise (34%), but only 4% are in the process of doing so. We call this the 'ambition gap'.



Base: All respondents except self-employed (3422)

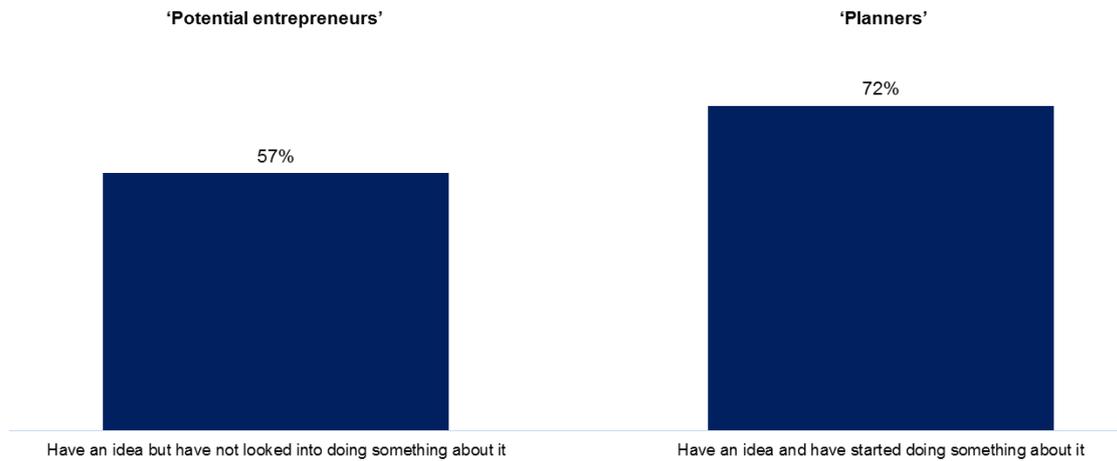
- Even amongst the people who would like to start their own business or enterprise, most fail to even begin planning, the first major hurdle on the pathway to entrepreneurship: 82% of the population who are not self-employed admit this. We call them 'Armchair dreamers' and 'Potential entrepreneurs'.



Base: All respondents who would like to start their own business or enterprise (1321)

- Those who have started a new business identify a range of triggers that inspired them to begin planning their businesses including financial rewards, passion for a hobby/interest and desire to be their own boss.

## Do you know anyone that has personally set up a new business or enterprise?



Base: All respondents who have an idea of the business they would like to start but have done nothing (532); All respondents who have an idea and have done something about it (210)

- Role models also appear to play a critical role in encouraging entrepreneurs: respondents who have taken steps to set up their business enterprise are significantly more likely to know people who have previously started their own business or enterprise than those who have an idea but have not tried to develop it into a business. HPIs have even greater contact with entrepreneurs – 77% of them know someone who has started their own business.

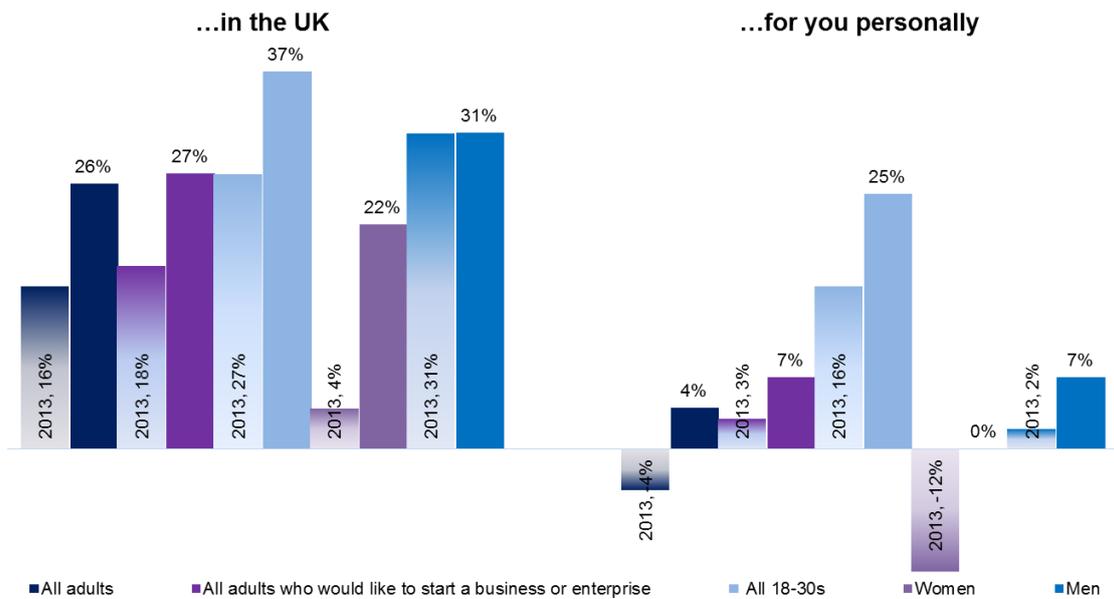


*'The biggest motivation for me to want to start up my own business is I've seen my family actually do it. And it made me realise that as long as you're willing to give a lot of hard work and you have that creativity, and maybe an idea or that spark that it's possible for anybody to start their own business.'*

# Economic Confidence

- Confidence in the economy is rising and is highest amongst the groups most likely to start a business or enterprise: men (31%) and young people (37%) are the most confident about the way the economy is moving. 26% more of the population believes that the UK economy will get better in the next 12 months than those who think it will get worse, compared to 16% more at the same time last year.

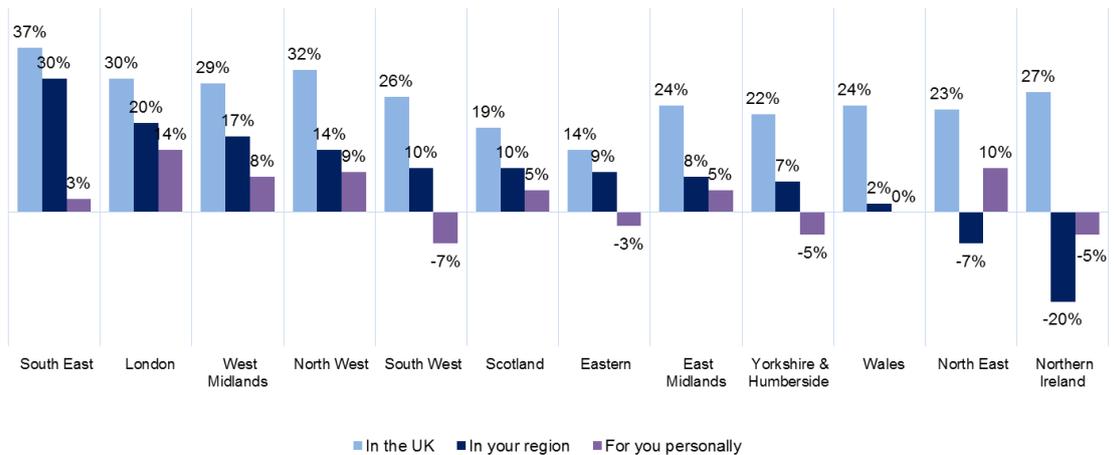
**To what extent do you think the economic climate will get better or worse over the next 12 months in the UK? (NET: Better – worse)**



Base: All respondents (3811); All who would like to start a business (1321); All 18-30s (2108); All men (1767); All women (2044)

- Though personal economic confidence is also improving, particularly amongst women, it remains much lower than confidence in the UK economy overall.

**To what extent do you think the economic climate will get better or worse over the next 12 months in the UK/ in our region/ for you personally? (NET: Better-worse)**



Base: Scotland (322); North East (163); North West (389); Yorkshire & Humberside (358); West Midlands (333); East Midlands (257); Wales (195); Eastern (336); London (491); South East (548); South West (342); Northern Ireland (77)

- Most people have become more confident about the economic outlook for their region (only the Northern Irish predictions have worsened from a net score of -6% to -20%) but people in the North East (-7%) and Northern Ireland (-20%) remain, on balance, convinced that the economy in their region will get worse over the next year.

## High Potential Individuals

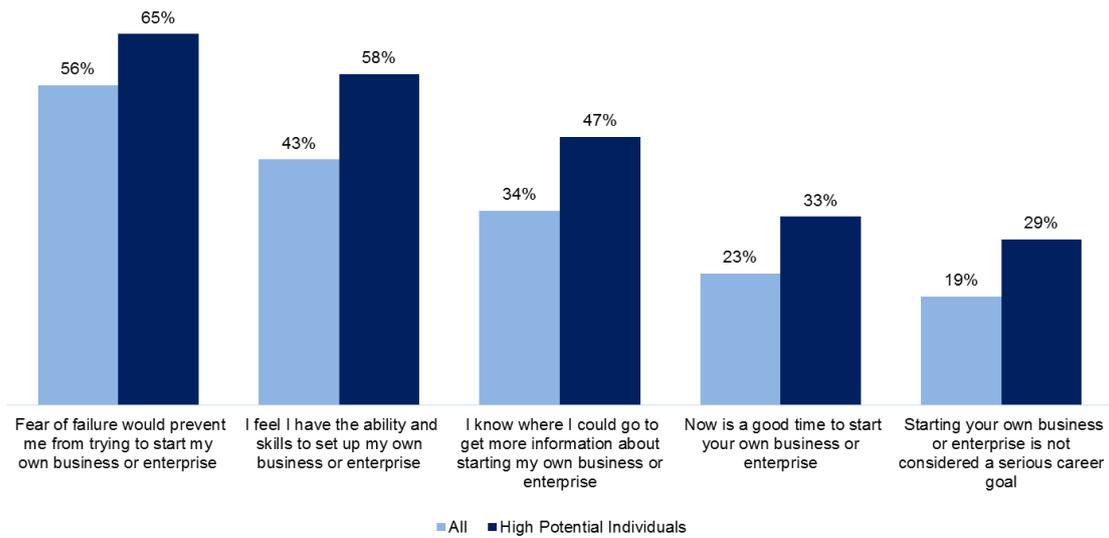
- High potential individuals are more likely than non-HPIs to want to start a business and more likely to prefer self-employment over being an employee. However, despite a larger percentage starting a business or enterprise (8% vs 4% among non-HPIs), this leaves an even bigger ambition gap between those HPIs who would consider starting a business and those who are doing so.



Base: HPIs (319); Non-HPIs (3347)

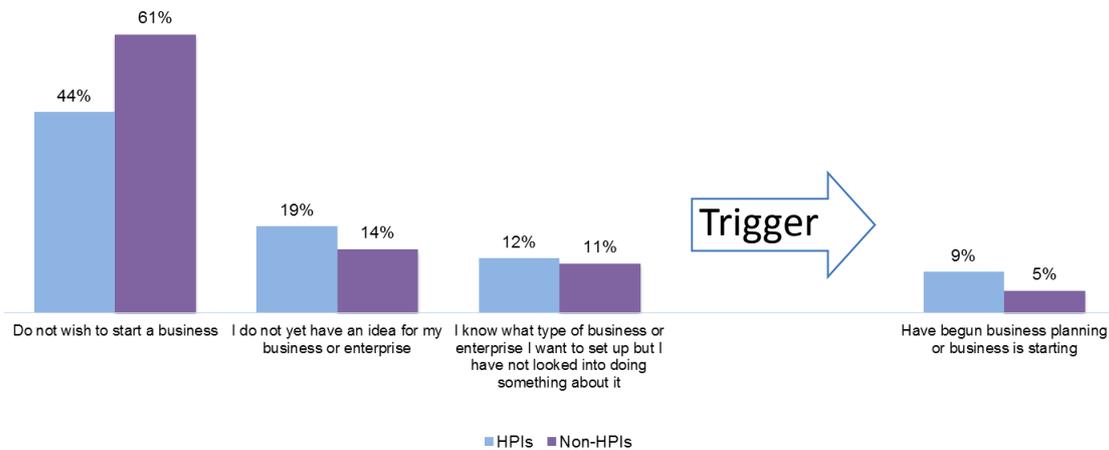
- It appears that this larger ambition gap is due to a proportionally higher awareness of risk among HPIs. They have more to lose: higher household salaries (average £55,410 vs £24,820) and jobs that they enjoy (19% vs 10%) and are more aware of the risks involved (41% vs 38%). Therefore, despite being more likely to agree that they have the skills necessary to start a business (58% vs 43%) and to know where to get further information about starting a business (47% vs 34%), many of this group are held back by their fear of failure (65% vs 56%) and by the belief that starting their own business would not be taken seriously as a career goal (29% vs 19%).

**To what extent do you agree or disagree with the following statements? (Total Agree)**



Base: All respondents (3811); HPIs (319)

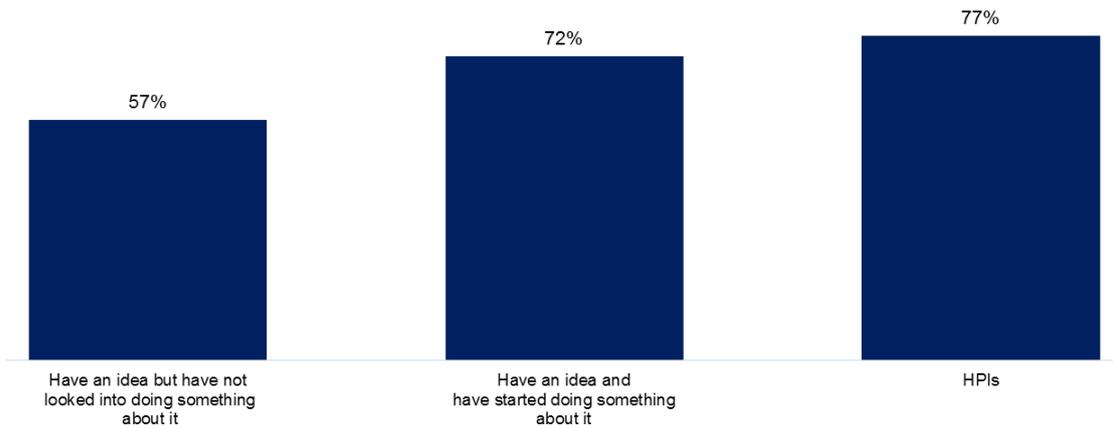
- On a more positive note, once HPIs have a business idea, they are more likely than other individuals to be ‘triggered’ into the planning or doing stages of setting up a business: 9% of HPIs are in these phases compared to 5% of non-HPIs. However, they are also more prevalent in the ‘Armchair dreamer’ category that wants to start a business or enterprise but does not know what kind.



Base: HPIs (319); Non-HPIs (3347)

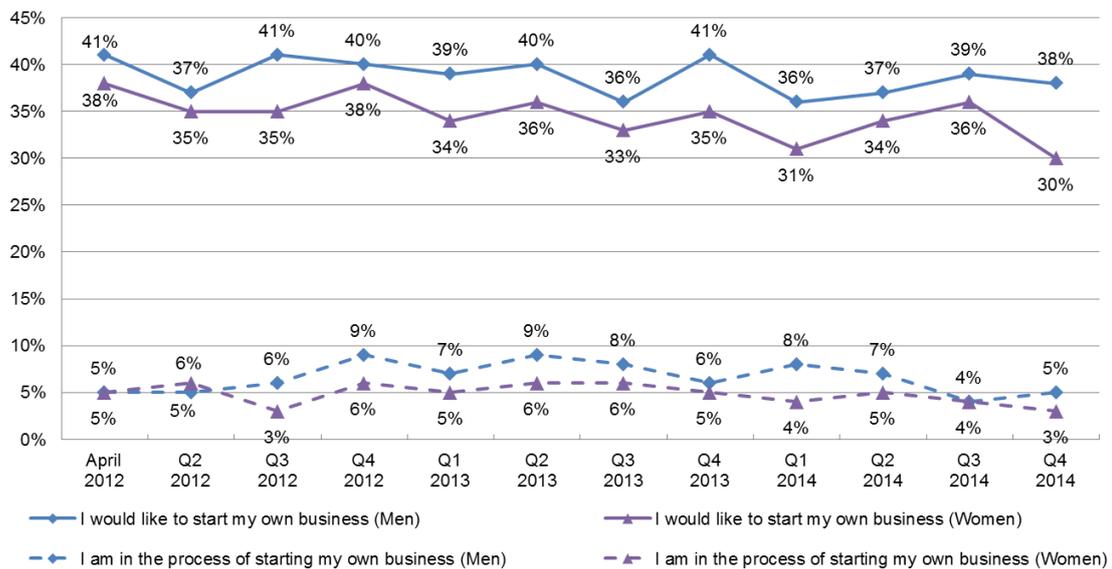
- It is likely that this higher ‘trigger-rate’ once again relates to the part played by role models. 77% of HPIs say that they know someone who has started a business or enterprise, compared to 72% of those who have had a business idea and acted upon it and 57% among those who have an idea but have done nothing to get started.

## Do you know anyone that has personally set up a new business or enterprise?



Base: All respondents who have an idea of the business they would like to start but have done nothing (532); All respondents who have an idea and have done something about it (210); All HPIs who would like to start their own business (130)

## The Gender Gap

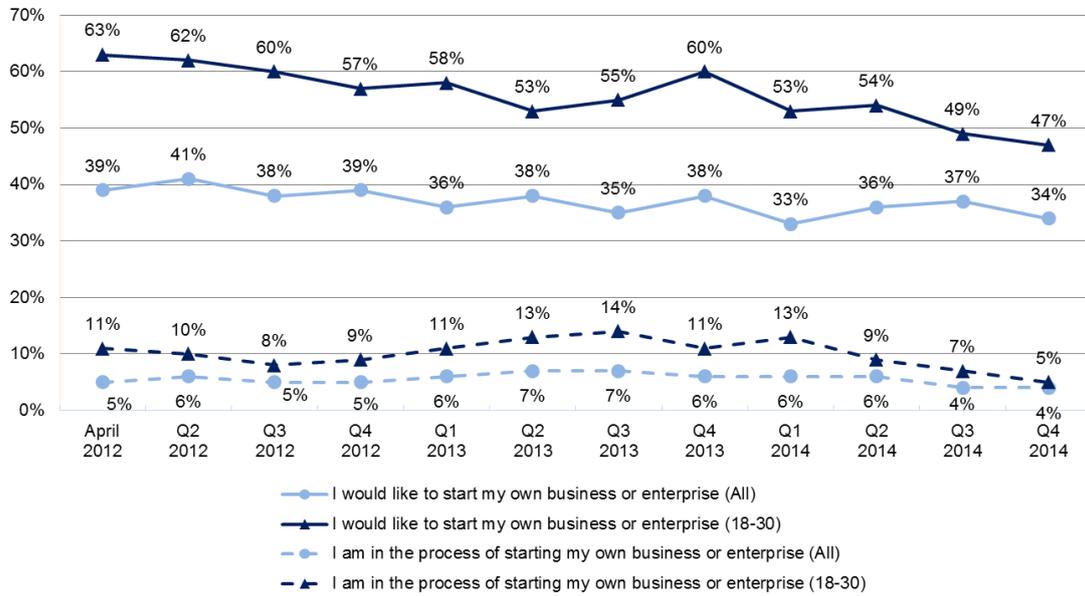


Base: All men (1767); All women (2044)

- Women remain less likely than men to want to start a business (30% vs 38%) and to be in the process of doing so (3% vs 5%). Worryingly, this trend has worsened since 2012.
- Fear of failure is the biggest obstacle holding women back: 60% of women say this would prevent them from trying to start their own business, compared to 51% of men.

# Youth Ambition

■ Ambition to start a business has also declined among young people. Despite increasing economic confidence, 47% of 18-30s now say that they would like to start their own business, compared to 63% in April 2012. Nonetheless, young people continue to be more enthusiastic than the rest of the population about starting a business or enterprise (47% vs 34%).



Base: All respondents except self-employed (3422); All 18-30s except self-employed (816)



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