



# DEVELOPING YOUTH ENTREPRENEURIAL SKILLS FOR THE INNOVATION ECONOMY

The role of UK innovation districts

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# EXECUTIVE SUMMARY

This study explores how supporting youth entrepreneurial skills can fuel prosperity and growth through the UK innovation economy. It emphasises the pivotal role UK Innovation Districts and place leaders must play in creating more inclusive opportunities for young people in the UK to succeed.

This national entrepreneurial skills study, focusing on 16-25-year-olds, was funded by Innovate UK and commissioned by UK Innovation District Group (UK IDG) and the Connected Places Catapult. The study was commissioned in response to a decline in the UK's entrepreneurial activity in the last 3 recorded years. Urban Foresight were appointed to lead this study on behalf of the UK IDG and the Connected Places Catapult.

The research includes a review of the UK's current entrepreneurial skills landscape. Areas covered by this research include:

- Understanding which factors contribute to comparatively low entrepreneurial activity and start up rates within this 16-25 age group, with a special emphasis on underrepresented groups.
- Assessing what provisions currently exist to develop entrepreneurial skills amongst young people, identifying gaps and creating opportunities for improvement.
- Understanding the role of Innovation Districts as hubs of innovation in overcoming regional and demographic variations when seeking to create more impactful and inclusive skills development initiatives for young people.
- Identifying entrepreneurial skills needed to support enterprises with high growth potential aligned to the sector strengths of Innovation Districts, and examining models of provision for these skills.
- The insights and findings of this research have guided the development of recommendations, and a youth entrepreneurial skills pilot development framework, that can be further developed and put into practice by Innovation Districts and regional place leaders.

# Opportunities and challenges for supporting inclusive youth entrepreneurship ↘

Table 1 - Key barriers, opportunities and support needed by young entrepreneurs from most underrepresented groups in the UK

Challenges ↘	Opportunities ↘
<ul style="list-style-type: none"> <li>→ Lack of confidence amongst youth entrepreneurs, which stems from a fear of failure and believing they do not have the skills to realise their entrepreneurial ambition.</li> <li>→ Existing skills, training, and coaching support does not meet the needs of many young people, especially those from underrepresented groups in entrepreneurship.</li> <li>→ Young people lack awareness of, and have difficulty, accessing existing entrepreneurial support offered in the UK.</li> <li>→ Financial barriers and institutional distrust prevent young people from accessing the finance they need to start a business.</li> <li>→ Lack of role models, mentors, and networks contributes to the lack of confidence and awareness of self-employment routes and support amongst young people.</li> <li>→ Lack of visibility of role models who have failed, and then gone on to succeed.</li> <li>→ Exclusionary language in entrepreneurship contributes to the confidence gap amongst young people, and alienates many from pursuing entrepreneurship.</li> <li>→ Lack of information that is accessible and visible to young people about what entrepreneurship really is and how they can start a business themselves.</li> <li>→ Lack of awareness amongst young people of the variety of possible self-employment routes.</li> <li>→ Commonalities between different underrepresented groups are often more frequent than the differences, but some key differences emerged as part of this research, in terms of perceptions, attitudes, motivations, barriers, and support needs.</li> </ul>	<ul style="list-style-type: none"> <li>→ Youth entrepreneurship currently contributes between £8.73 billion and £14.45 billion of GVA to the UK economy.</li> <li>→ If young entrepreneurs improved their productivity to match the USA's level, then a further £9.12 billion to £10.39 billion could be added to the UK economy.</li> <li>→ Entrepreneurial awareness and appetite is high in the UK amongst young people.</li> <li>→ Fostering youth entrepreneurship and skills is a crucial driver to addressing productivity stagnation and economic inactivity, which has been effective in other OECD countries.</li> <li>→ Supporting youth entrepreneurship can boost the UK's start-up ecosystem.</li> <li>→ Supporting youth entrepreneurship can improve the productivity of large businesses.</li> <li>→ Supporting youth entrepreneurship can boost the growth of frontier innovation economy sectors such as clean energy, digital and AI, and others.</li> <li>→ This study identifies the skills, support, and inclusive practice interventions needed to help more young people not only start, but grow businesses, improving on the 4% baseline.</li> </ul>

# The role of youth entrepreneurship in the UK economy ↘

## The UK is facing severe youth labour market challenges and underperforming in youth entrepreneurial activity compared to its peers.

- Youth unemployment rose to 14.5% in late 2024, with 628,000 young people unemployed.
- Not in Employment, Education, or Training (NEET) rate stands at 12.5%, with sharp disparities by region, gender, ethnicity and disability.
- Early-stage entrepreneurial activity (TEA) in the UK has declined to just under 11%.
- Youth TEA (18–24) fell from 13% (2021) to 12% (2022), while other nations surged.

## Supporting youth entrepreneurship is a strategic opportunity for UK growth.

- Fostering youth entrepreneurship and skills is a crucial driver to addressing productivity stagnation and economic inactivity, which has been effective in other OECD countries
- Entrepreneurship drives productivity, job creation, and innovation, particularly in high-growth sectors . Employment in small businesses (with 0 to 49 employees) was 17.4 million (54% of the total UK employment) in 2024, with a turnover of £2.2 trillion.
- Youth-led enterprises currently contribute between £8.73 billion and £14.45 billion in GVA to the UK economy.
- Matching US youth-led enterprise productivity levels could unlock an additional £10 billion+ for the UK economy.

## Entrepreneurial desire among youth is high, but action is low.

- Up to 76% of Generation Z want to be their own boss, but only 11% have an active plan to do so.
- The main motivations are independence, flexibility and purpose, alongside income pressure.
- Fear of failure (reported by 61%) and lack of confidence in skills (reported by 43%) prevent action.
- Barriers to youth entrepreneurship include lack of access to finance, networks, and skills support.
- Entrepreneurial education is not embedded in the national curriculum in most of the UK, with only 35% of young people in England receiving start-up support in secondary school.
- Young people underuse existing business support as they are poorly marketed to young people, and young people also tend to rely on informal networks, social media and peer advice for entrepreneurial advice.
- A baseline of 4% of young people who start a business currently sustain it beyond three years

## Improved youth entrepreneurial skills are part of the solution to address challenges.

- Drives job creation, economic growth and skill development (e.g. leadership, adaptability, resilience).
- Aligns with employer priorities outlined in Local Skills Improvement Plans and national productivity goals.
- Supports both start-up ventures and intrapreneurship within existing businesses.

## Innovation Districts are uniquely positioned to act as entrepreneurial skills delivery hubs.

- There is large variation in youth entrepreneurship, skills, income, and economic inactivity across UK places
- Innovation Districts outperform their city averages by 27% in productivity terms.
- Innovation Districts can enable place-based, coordinated entrepreneurial skills development programmes.
- Innovation districts are evolving from typical government-academia-industry collaboration models (triple helix)- to include community engagement (quadruple-helix) by engaging local youth and communities



# Recommendations for different innovation economy stakeholders ↘

## A participatory and integrated support approach is needed when providing entrepreneurial support for young people

The average UK entrepreneurs in 2015 were white males, aged 42, had a master's degree, and £20,000 in disposable income in savings.<sup>1</sup> In 2022, the average UK entrepreneurs were still white males, in their forties, who live in the South East with a degree and previous work experience in the same sector as their business, as well as around £11,000 of disposable income in personal savings and access to £6,400 as a loan or gift from parents.<sup>2</sup>

Business support in the UK has largely been accessed by this group, and has been successful in increasing access to finance and skills for this group. However, the improvements in access to, and quality of, business support have not reached other groups in the UK, and hence the profile of the average entrepreneur remains as it was 10 years ago. A higher proportion of people from underrepresented groups in the UK are more likely to experience intergenerational and household poverty, and therefore cannot access the same resources.

Therefore, by expanding access to existing support activity, there is considerable scope for realising the full potential from the diversity of entrepreneurial talent within the UK, especially those from underrepresented groups. It is therefore necessary to increase access to, and to design, tailored support for these business owners who do not fit the profile of the average UK entrepreneur to set up and scale their businesses.

A participatory approach to youth entrepreneurial skills development is needed to ensure the impact that entrepreneurial skills support services can have can be maximised. When designing programmes, it is important to:

- Understand that the forms of communication that resonate and reach different groups of young people is important to consider when developing entrepreneurial support.
- Consult with the groups that are being targeted in the design of support activities. Much of the existing provision is often created with very good intent but without consultation of the local community and circumstances, which can lead to some groups being excluded.
- Creating targeted smaller interventions can become exclusionary and inefficient without proper planning and consultation with the target audience.
- Combine multiple forms of support such as skills training, financial assistance and networking, because it consistently leads to better business sustainability and employment outcomes and meets a larger range of needs. Specifically, **schemes that pair funding with structured mentoring and advisory services outperform those that offer financial assistance alone.**

1 Startups (2024). [The Average Entrepreneur](#)

2 Credit Connect (2025). [Average cost of starting a new business](#)

## Recommended actions for different innovation economy stakeholders ↴

Innovation economy stakeholders often operate within evolving financial and political constraints. These recommendations are not prescriptive and instead offer options for improvement depending on the scale of resources available.

Recommended actions are divided into “Do Now”, “Do Next”, and “Do Later” actions in the recommendations section of the full report. The recommendations for each stakeholder in the executive summary have been prioritised and colour coded depending on their category, and contain a mixture of “Do Now”, “Do Next”, and “Do Later” actions.

- **“Do Now”** recommendations focus on what is being worked on already, and what immediate improvements can be made.
- **“Do Next”** recommendations focus on what can be planned, and provides recommendations that can be achieved by 2030.
- **“Do Later”** recommendations are important but not vital actions that can be undertaken if time and resources allow.

These recommendations were not designed to be implemented in isolation, however. Innovation districts have a key role to play in enabling each innovation economy stakeholder to support young people into entrepreneurship.

The following recommendations detailed in Table 2 are ranked as the most important by stakeholder type.

For Innovation Districts ↘	For Government ↘
<div><div>→</div>Create user journey maps for young entrepreneurs in the locality, mapping out the various support structures and programmes that exist locally and what interventions or service offers are available at different stages along the user journey.</div> <div><div>→</div>Map connections between the various providers, identify any gaps, and act as the continuous guiding hand between partners.</div> <div><div>→</div>Build awareness and trust of the Innovation Districts between the different anchor institutions involved and the local residential and business communities.</div> <div><div>→</div>Act as formal conveners of local ecosystems, bridging public, private and third sectors to deliver joined-up enterprise pathways for young people. Foster better links between youth entrepreneurship networks and more experienced entrepreneurship groups.</div> <div><div>→</div>Establish a scheme similar to ‘Big Ideas Wales’ for the rest of the UK, and recruit a network of entrepreneurs to ensure that young people have representative and diverse role models in local areas.</div> <div><div>→</div>Support long-term and cross-district collaboration, participating in a UK-wide working group and sharing best practice through the UK Innovation District Group network.</div> <div><div>→</div>Use a structured pilot design approach, applying the two-phase framework and Critical Success Scorecard from this study to deliver locally tailored, high-impact entrepreneurial support.</div> <div><div>→</div>Create inclusive, community-facing spaces, with flexible formats and programmes co-designed with young people and community partners.</div> <div><div>→</div>Develop, in collaboration with industry and government, a national microfinance network for early-stage ventures and test trading, to enable young people to access finance to pursue entrepreneurship.</div>	<div><div>→</div>Scale and improve access to existing mentoring and role model networks, ensuring young entrepreneurs have access to relatable and diverse mentors who can support at every stage of their entrepreneurial journey.</div> <div><div>→</div>Embed youth entrepreneurship into local growth strategies and align enterprise training with mainstream employment and skills programmes.</div> <div><div>→</div>Improve access to existing financial support mechanisms such as micro-grants, community-based microfinancing, and loan guarantee schemes, ensuring young people have the capital needed to launch and sustain businesses.</div> <div><div>→</div>Address key data gaps, where national datasets do not have enough observations to yield meaningful information at a place-based or regional level. Much of this data is already collected, but could be made more readily accessible.</div> <div><div>→</div>Fund and pilot entrepreneurial skills programmes, by aligning investment strategies with the findings of this report and funding scalable pilots in Innovation Districts.</div> <div><div>→</div>Develop a structured approach to entrepreneurial skills development, incorporating targeted interventions that address gaps in confidence, finance, and networks for young entrepreneurs. Include a mapping exercise to determine the extent to which young people across different ages and locations are exposed to entrepreneurship.</div> <div><div>→</div>Ensure that the essential skills necessary to be entrepreneurial are embedded across the national curriculum from primary school, using the EntreComp framework. Review assessments such as GCSEs, T Levels, and A Levels to ensure they are still fit for purpose, and that their purpose is communicated effectively to learners.</div> <div><div>→</div>Reinstate schemes such as the Enterprise Allowance Scheme to allow aspiring entrepreneurs to focus on starting their businesses. Expand the remit of the Careers and Enterprise Company as part of the Skills England reorganisation, to cover online entrepreneurship guides and resources as well as in-person workshops and events with approved role models.</div>
For Industry and Investors (Business Leaders, Employers, Investors) ↘	For Educators (Schools, Further and Higher Education) ↘
<div><div>→</div>Provide mentoring and shadowing opportunities, supporting youth access to industry insights and professional networks.</div> <div><div>→</div>Continue to contribute to curriculum development, offering insight into labour market trends and sector-specific needs to help educators align enterprise skills with employer demand and evolving entrepreneurial skillsets.</div> <div><div>→</div>Expand on existing work experience and internship programmes, improving access for those from underrepresented groups.</div> <div><div>→</div>Champion inclusive procurement, opening supply chains to diverse, youth-led and microenterprises, helping scale viable ventures.</div> <div><div>→</div>Showcase young entrepreneurial talent, offering platforms for youth founders to connect with customers, investors and collaborators.</div> <div><div>→</div>Sponsor and co-fund entrepreneurial skills programmes, including micro-grants, innovation challenges and training aligned with high-growth sector needs.</div> <div><div>→</div>Benchmark time and cost of starting a business, and raise awareness of these to reduce uncertainty for potential entrepreneurs.</div>	<div><div>→</div>Develop partnerships with local Innovation Districts, co-delivering real-world learning through projects, business incubators and enterprise placements.</div> <div><div>→</div>Enable educators to join enterprise educator networks such as Enterprise Educators UK and attend knowledge exchange events.</div> <div><div>→</div>Expand on industry engagement and regularly align curricula with entrepreneurial needs through entrepreneur-led advisory boards using existing employer engagement mechanisms wherever possible.</div> <div><div>→</div>Promote youth-oriented financial literacy training and hold evening learning workshops on some of the business basics for those that want to develop their practical skills (such as business budgeting, basics in accounting, intro to finance terms, how to build your own website, and how to use Excel functions).</div> <div><div>→</div>Introduce diverse and relatable role models into education settings, helping young people see entrepreneurship as a viable option regardless of background.</div>

## Final call to action ↘

Overall, the findings of this youth entrepreneurial skills study provide a clear mandate for action. All stakeholders from government, industry and education must collaborate to ensure youth entrepreneurship is recognised and contributes to national and regional economic development strategies.

UK Innovation Districts have the potential to catalyse youth entrepreneurial talent, drive local economic growth, and create more inclusive, resilient regional economies. However, achieving this vision requires strategic investment, sustained collaboration, and a commitment to ensuring all young people, regardless of background, have access to the skills, networks, and resources needed to succeed.

Innovation districts have a key role to play in enabling each innovation economy stakeholder to overcome the financial and political constraints they face to support young people into entrepreneurship. Innovation districts must use their dense local networks, infrastructure, and expertise as convenors of local government, academia, industry, and communities to enable inclusive youth entrepreneurship across the UK.



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# 01

## INTRODUCTION

This study explores how supporting youth entrepreneurial skills can fuel prosperity and growth through the UK innovation economy. It emphasises the pivotal role UK Innovation Districts and place leaders must play in creating more inclusive opportunities for young people in the UK to succeed.

# The scope and purpose of this study ↴

This national entrepreneurial skills study, focusing on 16-25-year-olds, was funded by Innovate UK and commissioned by UK Innovation District Group (UK IDG) and the Connected Places Catapult. The study was commissioned in response to a decline in the UK's entrepreneurial activity in the last 3 recorded years.<sup>3</sup> Urban Foresight were appointed to lead this study.

The study provides evidence on the value of entrepreneurial skills to the UK economy and guidance to help support and shape national and regional policies to enable these skills to develop. It also highlights the essential role of developing entrepreneurial skills amongst young people specifically to drive innovation and inclusive economic growth across the UK.

The insights and findings of this research have guided the development of recommendations, and a youth entrepreneurial skills pilot development framework, that can be put into practice by Innovation Districts and regional place leaders.

The research includes a review of the UK's current entrepreneurial skills landscape. Areas covered by this research include:

- Understanding which factors contribute to comparatively low entrepreneurial activity and start up rates within this 16-25 age group, with a special emphasis on underrepresented groups.
- Assessing what provisions currently exist to develop entrepreneurial skills amongst young people, identifying gaps and creating opportunities for improvement.
- Understanding the role of Innovation Districts as hubs of innovation in overcoming regional and demographic variations when seeking to create more impactful and inclusive skills development initiatives for young people.
- Identifying entrepreneurial skills needed to support enterprises with high growth potential aligned to the sector strengths of Innovation Districts, and examining models of provision for these skills.

3 [Global Entrepreneurship Monitor UK Report 2023/24 \(2024\)](#)



# How we define entrepreneurial skills ↘

Entrepreneurship is a widely studied concept with multiple definitions, yet few are specifically dedicated to youth entrepreneurship. For the purposes of this study, we have adopted a concise, yet comprehensive understanding of entrepreneurship, aligning with the definition provided by the Danish Foundation for Entrepreneurship & Young Enterprise:

**“Entrepreneurship is when you act upon opportunities and ideas and transform them into value for others. The value that is created can be financial, cultural, or social.”**

This definition emphasises that entrepreneurship is not simply about starting businesses but about developing the mindset and skills to create economic and social value.

## Intrapreneurship

In addition, this study recognises the dual importance of both entrepreneurial and intrapreneurial skills, which not only prepare young people for starting a business but also enhance their employability and productivity within high-growth companies. Equipping young people with these competencies enables them to thrive in diverse professional environments, whether launching their own ventures or driving innovation within existing organisations.

Recognising this, the British Chambers of Commerce’s “People and Work” report<sup>4</sup> outlined a 10-point plan to support workforce skills development at every stage of education and employment. The report highlights the need for initiatives that enhance employability and entrepreneurship education, reinforcing the importance of these competencies for a dynamic and competitive UK economy.

By fostering both entrepreneurial and intrapreneurial skills, we can create a more adaptable and resilient workforce capable of accelerating innovation and economic growth across the UK. This approach ensures that entrepreneurial education benefits not only future business founders but also young professionals entering the workforce. Given the crucial role of high-growth firms in job creation and economic resilience, developing these skills is essential for a more dynamic and competitive UK economy.

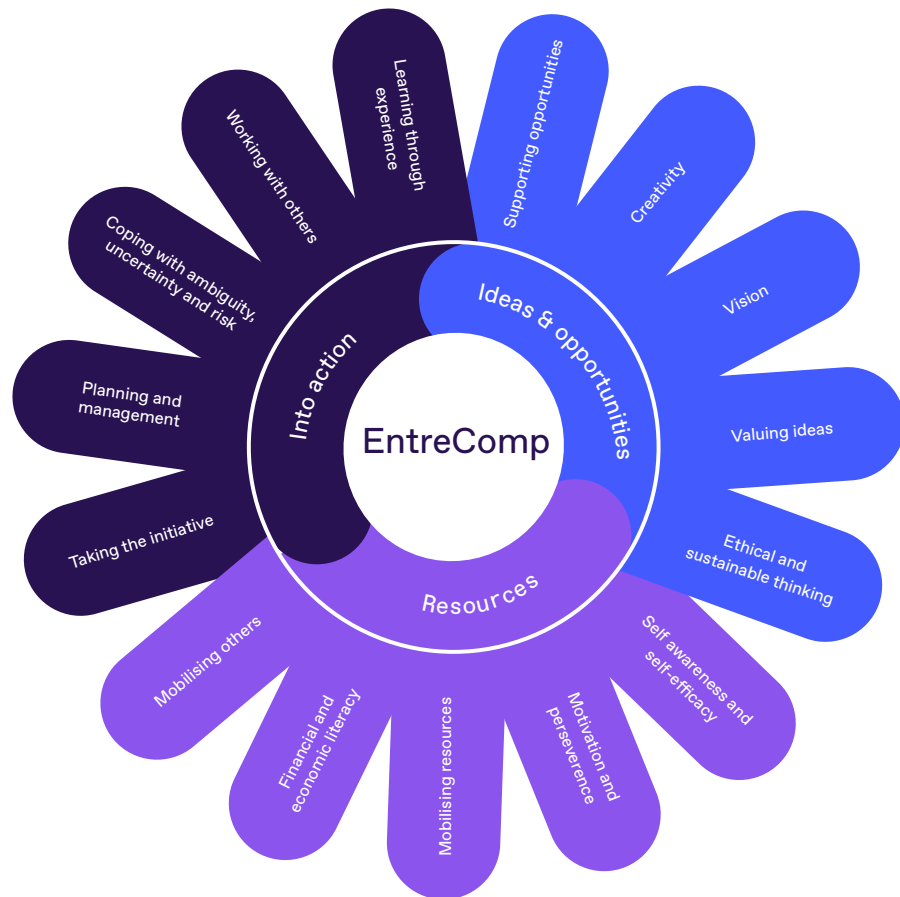
## EntreComp Skills Framework

There are multiple theoretical frameworks and models used to define and assess entrepreneurial skills. This study reviewed several of these frameworks to understand the core competencies required for young people to develop entrepreneurial mindsets and capabilities to start a business. However, to provide a structured and globally recognised approach, we have used the **EntreComp (Entrepreneurship Competence) Framework**<sup>5</sup> as the primary model for classifying entrepreneurial skills within this study (Figure 1).

4 [British Chambers of Commerce - Boosting skills: Journey through education & work \(2024\)](#)

5 [EntreComp: The entrepreneurship competence framework](#)

Figure 1 - EntreComp Framework



The EntreComp consists of 3 core competence areas (“Ideas & Opportunities”, “Resources”, and “Into action”), with each splitting into a further five specific competences. The EntreComp Framework was established to increase entrepreneurial capacity among both individuals and organisations. It provides a comprehensive, flexible structure for defining and developing entrepreneurial skills, making it well-suited for youth entrepreneurship research. The framework is designed to:

- Define entrepreneurial skills as a set of competences that make someone entrepreneurial.
- Show how a mix of competencies can be applied to turn ideas into action using available resources.
- Focus on the creation of financial, social or cultural value.
- Be applicable across sectors, including public, private, third sector, and education.
- Be inclusive through both formal and informal learning environments, making it relevant for young people in diverse settings.

By using EntreComp, this study ensures that entrepreneurial skills development is examined through a structured, adaptable and validated framework that can help support youth entrepreneurship across various contexts. This approach enables Innovation Districts and policymakers to build initiatives on the back of recommendations that are both evidence-based and practical to deploy.

# How this study was conducted ↘

Urban Foresight, in collaboration with the UK IDG, employed a robust mixed-method approach to ensure evidence-based recommendations. This included:



## Desk Research

- Systematic review of previous literature and studies on entrepreneurship and skills.
- Conducting a policy review at a national and regional level.
- Identifying international best practices and benchmarking UK performance.
- Realist synthesis of interventions to improve youth entrepreneurial activity to understand what works, for which underrepresented groups, and how.



## Quantitative Data Collection and Analysis

- Examining the national and regional socio-economic profiles and entrepreneurial skills development landscapes.
- Using secondary data to develop an entrepreneurial skills gap analysis at a regional level.
- Developing an econometric model of entrepreneurial skills gaps to understand the current and potential impact of improving youth entrepreneurial activity in the UK.



## Stakeholder Engagement

- Conducting one-on-one interviews with diverse stakeholders from various UK regions (details in Appendix B).
- Establishing and collaborating with a steering group of UK entrepreneurial skills experts to guide the study throughout.
- Recruiting a 'Youth Action Research Panel' comprising 16-25 years olds from diverse demographic and underrepresented backgrounds, from across all 4 devolved nations. This ensured insights were rooted in the lived experiences of all young people.



# 02

## THE ROLE OF YOUTH ENTREPRENEURSHIP WITHIN THE INNOVATION ECONOMY

02 / THE ROLE OF YOUTH ENTREPRENEURSHIP WITHIN THE INNOVATION ECONOMY



The national and regional growth agenda supports the rationale that a coordinated, inclusive and locally tailored approach by Innovation Districts to youth entrepreneurship is needed.

## CHAPTER 2: KEY MESSAGES SUMMARY ↘

### The UK is facing severe youth labour market challenges:

- Youth unemployment rose to 14.5% in late 2024, with 628,000 young people unemployed.
- Economic inactivity reached a record high of 3.02 million (41.1%)
- NEET rate stands at 12.5%, with sharp disparities by region, gender, ethnicity and disability.

### The UK is underperforming in youth entrepreneurial activity compared to its peers:

- Early-stage entrepreneurial activity (TEA) in the UK has declined to just under 11%.
- Youth TEA (18–24) fell from 13% (2021) to 12% (2022), while other nations surged.
- Barriers to youth entrepreneurship include lack of access to finance, networks and skills support.

### Youth entrepreneurship is a strategic opportunity for UK growth:

- Entrepreneurship drives productivity, job creation, and innovation, particularly in high-growth sectors. Employment in small businesses (with 0 to 49 employees) was 17.4 million (54% of the total UK employment) in 2024, with a turnover of £2.2 trillion.
- Youth-led enterprises currently contribute between £8.73 billion and £14.45 billion in GVA to the UK economy.
- Matching US youth-led enterprise productivity levels could unlock an additional £10 billion+ for the UK economy.

### Improved youth entrepreneurial skills are part of the solution to address challenges:

- Drives job creation, economic growth and skill development (e.g. leadership, adaptability, resilience)
- Aligns with employer priorities and national productivity goals.
- Supports both start-up ventures and intrapreneurship within existing businesses.

### Innovation Districts are uniquely positioned to act as entrepreneurial skills delivery hubs:

- Enable place-based, coordinated entrepreneurial skills development programmes.
- Evolving from typical government-academia-industry collaboration models (triple helix)- to include community engagement (quadruple-helix) by engaging local youth and communities
- Support national priorities: upskilling, regional growth, industrial strategy and inclusive innovation

# The need to reverse youth unemployment and inactivity trends in the UK ↘

**628K**  
Unemployed in  
UK ages 16-24

**3.02m**  
Economically  
inactive in UK  
ages 16-24

**14.5%**  
UK Youth  
unemployment  
rate

The UK government's 2025 "Youth Unemployment Statistics" report<sup>6</sup> highlights significant challenges facing young people in the UK labour market. Between September to November 2024, there were 628,000 unemployed individuals aged 16 to 24, an increase of 98,000 from the previous year, bringing the youth unemployment rate to 14.5%, up from 12.4%. In addition, 3.02 million young people were economically inactive, the highest number recorded since 1992, with an inactivity rate of 41.1%, up from 40.8% the previous year.

The report also highlights the UK's underperformance compared to other OECD countries, particularly in terms of youth unemployment rates, economic inactivity, and the effectiveness of interventions to support young people into employment. While the UK's overall youth unemployment rate of 14.5% (as of late 2024) is slightly lower than the EU average (15.4%), it remains significantly higher than the average for OECD countries (11.5%).

Similarly, 12.5% of young people are not in employment, education, or training (NEET) on average in the UK. NEET rates vary significantly across different groups of young people in the UK depending on their background and location:

- There is significant regional variation in the proportion of young people who are NEET. In 2024, the North East of England had the highest rate (15.0%), followed by the East of England (13.1%), the West Midlands (12.5%), and London (11.6%).
- Young men experience higher NEET rates than young women. In 2024, the NEET rate for young men was 13.5%, compared with 10.8% for young women.
- Young people from certain ethnic minority backgrounds also experience higher NEET rates. Young people who are White British have a NEET rate of 10.9%. However, the NEET rate for young people from a Black Caribbean background is 2.3 times higher (25%), while the rate for young people from Pakistani backgrounds stands at 13.9%.
- Young people with Special Educational Needs & Disabilities (SEND) are also much more likely to be out of work or training. Data from the Office for National Statistics show that 23.9% of young people with a disability are NEET.

<sup>6</sup> [House of Common Library Research Briefing: Youth unemployment statistics \(January 2025\)](#)

These statistics underscore the urgent need for the UK to implement more innovative and inclusive practices to integrate more young people into the workforce. Encouraging entrepreneurship presents a viable solution to part of this challenge.

The Invest 2035 and Get Britain Working papers seek to address challenges in productivity and economic inactivity through employment routes. People and skills have been named in DBT's Invest 2035 industrial strategy green paper as one of six policy areas for creating a pro-business environment. The green paper acknowledges that the UK possesses the institutions and legislative structures needed for a high-skilled workforce and flexible hiring capabilities, but 10% of businesses are still reporting at least one job vacancy due to skills shortages.

Pursuing entrepreneurship can encourage the development of valuable skills such as problem-solving, leadership and adaptability, all of which are essential in today's fast, dynamic and competitive job market. According to the World Economic Forum's Future of Jobs Report 2025<sup>7</sup>, analytical thinking (69%), resilience and agility (67%) and leadership (61%) are considered essential by employers across sectors, highlighting the broader economic value of these entrepreneurial mindset capabilities across the workforce.

By fostering a stronger entrepreneurial culture, the UK can empower young individuals to create their own employment opportunities for themselves and others or take valuable entrepreneurial skills into organisations they are employed by, thereby reducing unemployment rates and stimulating economic growth.

However, while fostering youth entrepreneurship is an important step, it is just one piece of the puzzle in addressing the UK's broader productivity challenges. The country continues to grapple with issues such as low investment in innovation, regional disparities in economic growth, and a skills mismatch in key industries. A holistic approach is needed, combining entrepreneurship with improvements in education, workforce training, infrastructure, and access to finance to create a more resilient and competitive economy.

7 [WEF Future of Jobs Report \(2025\)](#)



# The UK's recent performance in youth entrepreneurship versus benchmark countries ↘

Supporting young entrepreneurs has been a policy priority over the last decade for OECD countries<sup>8</sup>. The rationale for providing public support for creating and supporting young entrepreneurs is typically based on 4 arguments:

1. Evidence suggests young people face greater barriers to business creation and self-employment than older people. These stem from market and institutional failures such as greater difficulties accessing finance.
2. Young people can have difficulties entering the labour market and self-employment could provide an alternative route to work for some.
3. Support for talented young people with high-potential business ideas could result in economic gains and innovation.
4. Entrepreneurship support schemes could help young people develop transferable skills that will benefit their career (and other businesses), regardless of whether they start a business.

The Global Entrepreneurship Monitor (GEM) is one of the leading research organisations that studies entrepreneurship worldwide, collecting data from countries to measure different aspects of entrepreneurship.

Total Early-Stage Entrepreneurial Activity (TEA) is one of the key indicators used by GEM to measure and benchmark entrepreneurship. It represents the percentage of adults in a country who are either starting a new business (nascent entrepreneurs who haven't paid salaries for more than three months) or running a young business (businesses that are less than 3.5 years old). TEA helps assess how many people are actively involved in launching or managing new businesses, providing a snapshot of a country's entrepreneurial ecosystem and its potential for economic growth.

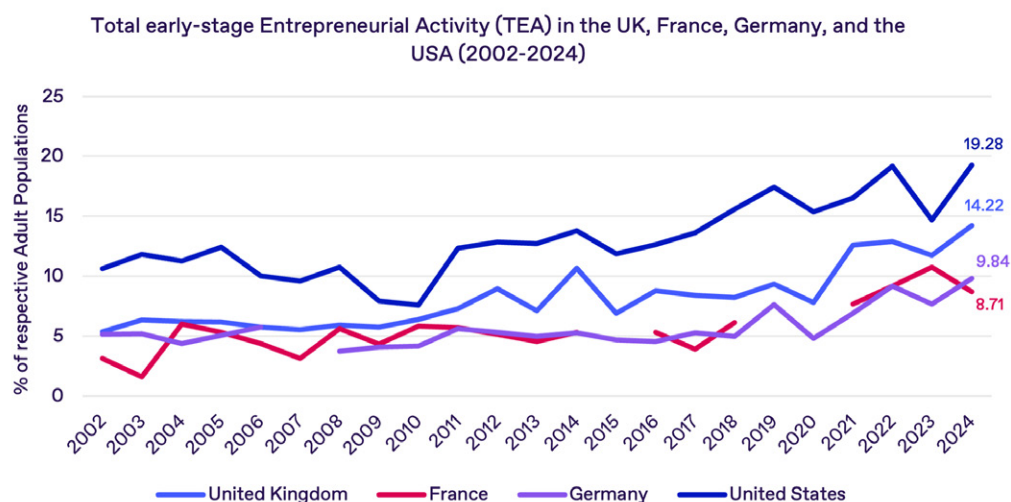
The most recent UK data comes from the Global Entrepreneurship Monitor UK Report 2023/24, published in July 2024<sup>9</sup>. This data shows that Total Early-Stage Entrepreneurial Activity (TEA) in the UK has declined since 2021 and now stands at just under 11%. In contrast, TEA rates in the United States and Germany rose to record highs between 2021 and 2022 (before experiencing a notable drop in 2023 – particularly in the US). Meanwhile, France has shown steady growth in TEA, overtaking the UK for the first time in 15 years. Figure 2 demonstrates the changes in TEA in the UK compared with France, Germany, and the USA from 2002 to 2024.

<sup>8</sup> [OECD The Missing Entrepreneurs - Policies for Inclusive Entrepreneurship and Self-Employment \(2023\)](#)

<sup>9</sup> [Global Entrepreneurship Monitor UK Report 2023/24 \(2024\)](#)



Figure 2 - Total early-stage Entrepreneurial Activity (TEA) in the UK, France, Germany, and the USA (2002-2024) (Source: GEM Global APS 2002-2024)



Examining the frontier innovation economy, it is possible that the effects of Brexit and the COVID-19 pandemic may have also affected entrepreneurial activity in these sectors more than other countries.

In 2022, the UK a TEA score and Established Business Ownership (EBO) score of 5.7% and 5.5% respectively in the high or medium tech sectors. Although this was similar to the US, who had scores of 5.5% in TEA and 6.6% in EBO, it has deteriorated compared to 2021 (8.7% and 14.8%) when the UK showed the highest rates compared to the US, France, and Germany.

The UK also experienced a drop in the rate of exporters for TEA and EBO: from 23.3% in TEA and 27.2% in EBO to 19.3% in TEA and 21.6% in EBO.

When looking at TEA rates by age group for the UK, France, Germany and the US, the rise in overall TEA rates in the non-UK comparator countries between 2021-2022 is driven mainly by an increase in youth entrepreneurship, as demonstrated in Figure 3. For example, in the US the TEA rate for 18-24 year olds rose from 19% in 2021 to 28% in 2022. Whilst, in Germany the TEA rate for 18-24 year olds rose from 8% in 2021 to 15% in 2022. In contrast, the UK TEA rate for 18-24 year olds actually declined slightly from 13% in 2021 to 12% in 2022, as shown in Figure 4.

Figure 3 - Total early-stage Entrepreneurial Activity (TEA) in the UK, France, Germany, and the USA by Age Group in 2022 (Source: GEM Global APS 2022)

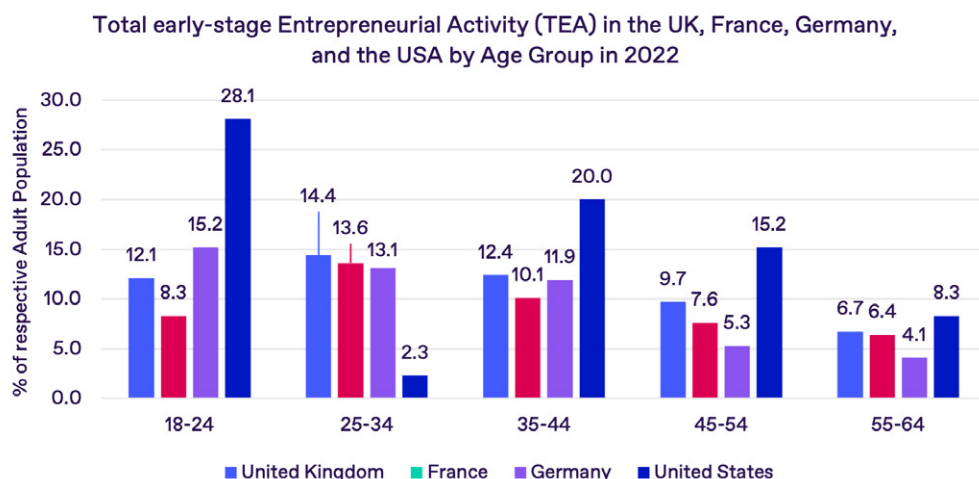
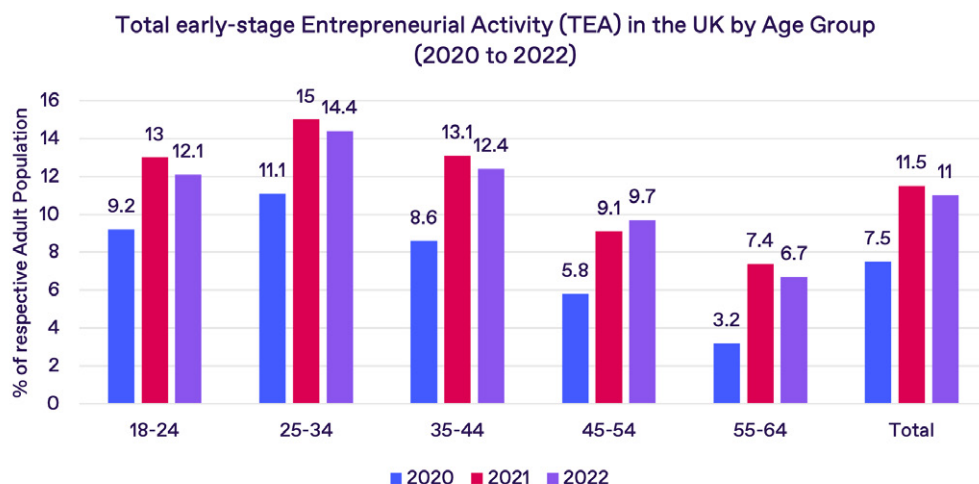


Figure 4 - Total early-stage Entrepreneurial Activity (TEA) in the UK by Age Group (2020 to 2022) (Source: GEM Global APS 2020-2022)



These trends raise important questions for the UK's future economic resilience and global competitiveness.

The data shows that while other leading economies are harnessing the entrepreneurial potential of their young people, the UK risks falling behind. A lack of growth in this area may signal missed opportunities to unlock the talent, creativity and ambition of young people, particularly in high-growth and innovation-driven sectors.

Understanding and addressing the barriers to youth entrepreneurship in the UK is therefore urgent. By focusing on entrepreneurial skills development – especially for underrepresented groups – the UK can foster a more inclusive, productive and forward-looking economy. This makes the case for targeted, evidence-led interventions in places like Innovation Districts even stronger. Without this focus, the UK may continue to lag its peers at a time when entrepreneurial capacity is more critical than ever for national and regional growth.

# The socio-economic opportunity of improving youth entrepreneurial outcomes ↘

Entrepreneurs transform ideas into products and services that can then lead to business growth and job creation. Beyond job creation and turnover growth, startups contribute to increased productivity by introducing innovative products, services, and processes. Supporting entrepreneurial skills and activity could help bridge the productivity gap by animating the UK business and innovation ecosystem, beyond improving the skills of the existing and future workforce.

## Supporting entrepreneurship can boost the growth of UK start-up ecosystem

The UK business ecosystem is dominated by Small and Medium Enterprises (SMEs) and microenterprises, which comprise 95% of all businesses in the UK and contribute 52% of the GVA by the UK's non-financial business economy (Annual Business Survey, 2024). The non-financial business economy contributes two-thirds of the UK's Gross Value Added (GVA) and comprises of businesses that primarily produce goods and non-financial services, excluding those whose primary activity is dealing in financial assets and liabilities.

**In particular, microenterprises contribute 19% of GVA by the UK's non-financial business economy, which is more than SMEs, and highlights the importance of start-up creation for the UK economy.**

Net business creation has been stagnating, however. The number of VAT and/or PAYE businesses in the UK as of March 2024 was 2.725 million, a decrease of 0.1% from March 2023. Improving access to entrepreneurship can address the decline in business growth and job creation. It is therefore important to encourage further business creation to enable growth.

Jiang and Sohail (2023) find that around 70% of decline in entrepreneurship and business creation in the USA is driven by technological change across professions and a rising share of graduates<sup>10</sup>. An increase in the graduate premium over the last 30 years means that many pursue a traditional university to employment route rather than into entrepreneurship. The graduate premium is the difference in the average income between graduates and non-graduates i.e. the value added to individuals' employment prospects through completing a degree.

There is therefore a mismatch in labour market outcomes as a result, which lowers average entrepreneurial productivity and the development of high growth businesses. This likely applies to the UK as well, although to a differing extent, and can help explain stagnant net business creation. With the average graduate premium in the UK falling in recent years<sup>11</sup>, there is therefore a need to encourage entrepreneurship and offer entrepreneurial skills development before and at university.

10 Jiang, Helu & Sohail, Faisal, 2023.

"Skill-Biased Entrepreneurial Decline," Review of Economic Dynamics, Elsevier for the Society for Economic Dynamics, vol. 48, pages 18-44

11 Stansbury, Anna., Turner, Dan., & Balls, Ed. 2023. "Tackling the UK's regional economic inequality: Binding constraints and avenues for policy intervention". M-RCBG Associate Working Paper Series | No. 198

The makeup of start-ups and level of exports have been affected by the formal exit of the UK from the EU in December 2021. In 2022, the UK a TEA score and Established Business Ownership (EBO) score of 5.7% and 5.5% respectively in the high or medium tech sectors, which was similar to the US, who had scores of 5.5% in TEA and 6.6% in EBO. However, there has been a fall in the UK in high or medium tech sector TEA and EBO compared to 2021 (8.7% and 14.8%) when the UK showed the highest rates compared to the US, France, and Germany. The UK also experienced a drop in the rate of exporters for TEA and EBO: from 23.3% in TEA and 27.2% in EBO to 19.3% in TEA and 21.6% in EBO.

New entrepreneurs in the UK are already adjusting to global trends, however. Despite Brexit, 40% of new entrepreneurs have customers beyond the United Kingdom. 60% of new entrepreneurs expect to use more digital technology to sell their products in the next six months.

**20% of new entrepreneurs also expect to employ another six people or more in five years' time<sup>12</sup>.**

**This demonstrates the importance of enterprise to the UK economy.**

Successive years of relatively high levels of new entrepreneurial activity in the UK are slowly pushing up Established Business Ownership (EBO) rates, which is defined as owning a business that has survived for 3 or more years.

**Almost 1 in 10 adults owned an established business in 2024, almost twice the level of 2021. Expanding on support for greater entrepreneurial activity can build on this trend to address stagnating net business creation in the UK, increase employment, and improve UK's trade deficit.**

## Supporting entrepreneurship can improve the productivity of large businesses

In 2022, 48% of the UK's GVA by the non-financial business economy is contributed by large businesses. Skills gaps are a key challenge for these businesses to overcome and to continue to innovate.

**The largest skill gaps reported by businesses through the Local Skills Improvement Plans (LSIPs) across the UK are in skills such as communication, teamwork, and other soft skills. These skills are also needed for entrepreneurship as demonstrated within the EntreComp skills framework. Improving entrepreneurial skills amongst young people in the UK could therefore help address wider skills gaps in employment through increasing intrapreneurial activity.**

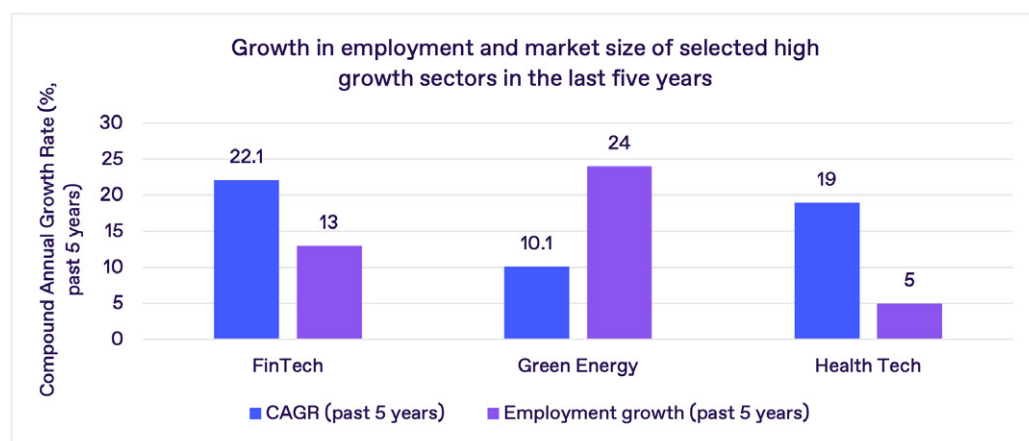
12 GEM UK 2024 data

## Supporting entrepreneurship can boost the growth of frontier innovation economy sectors

Innovation is a key aspect of starting, growing, and scaling-up businesses. Innovation therefore is key to create and grow new sectors, enter new markets, reduce production costs, and produce more output with the same inputs, increasing productivity.

High growth and frontier innovation economy sectors such as financial technology (fintech), clean energy, and health tech, which have a presence across many innovation districts, have grown rapidly in recent years, primarily driven by startups. Figure 5 shows the rapid growth of selected high-growth sectors in the UK. These businesses often bring cutting-edge technologies to market faster than established players, fostering a competitive economy that benefits consumers and businesses alike.

Figure 5 - Compound Annual Growth Rate (CAGR) for employment and market size of selected high growth sectors over the past five years (Average from various market research reports)



The clean energy sector grew 10% in 2024 and is one of the fast growing in the UK, outpacing total national growth by a factor of 100. Many supply chains at Tier 1 and Tier 2 are often SMEs or microenterprises, so to keep pace with the growth of clean energy, there is a need for more of these businesses to lower supply chain costs and enable current enterprises to be more active.

To continue this growth, there is a need for people with an equivalent of Regulated Qualifications Framework (RQF) Levels 2 and 3 qualifications, which is equivalent to achieving GCSE or A Level qualifications, in addition to degree-qualified entrepreneurs. It is therefore important to solve skills gaps at RQF Levels 2 and 3 to thrive, many of which overlap with entrepreneurial skills such as communication, teamwork, and financial literacy.

## Fostering youth entrepreneurship and skills is crucial driver to address productivity and economic inactivity

Santander UK’s research, based on a survey of 2,000 adults, revealed that Gen Z is the most entrepreneurial generation, with 76% aspiring to be their “own boss.” In comparison, just 57% of millennials, 36% of Gen X, and 25% of baby boomers have similar ambitions. However, this aspiration is not translating into greater entrepreneurial activity, meaning there are untapped productivity gains to be realised.

In contrast to the UK’s overall stagnating entrepreneurial activity, according to the 2023 Global Entrepreneurship Monitor UK Report, youth entrepreneurship (among individuals younger than 35) has been increasing over the last 20 years in the UK. The latest figures show that 12.1% of 18 to 24-year-olds are involved in early-stage entrepreneurial activity, compared to 14.2% of all UK adults. This indicates that support is still needed to convert the strong entrepreneurial drive among young people into entrepreneurial activity. Providing them with the right support to turn their ambitions into successful businesses could therefore be a key factor in boosting the UK’s productivity.

Enabling young people to access more entrepreneurial skills can encourage both higher start-up creation rates as well as improve the business performance of key, existing UK businesses. However, young people face challenges in accessing entrepreneurial skills and in starting businesses. Table 2 shows an overview of the opportunities and challenges that young people face in starting their entrepreneurial journeys.

Table 2 – Selected Opportunities & Barriers to Youth Entrepreneurs

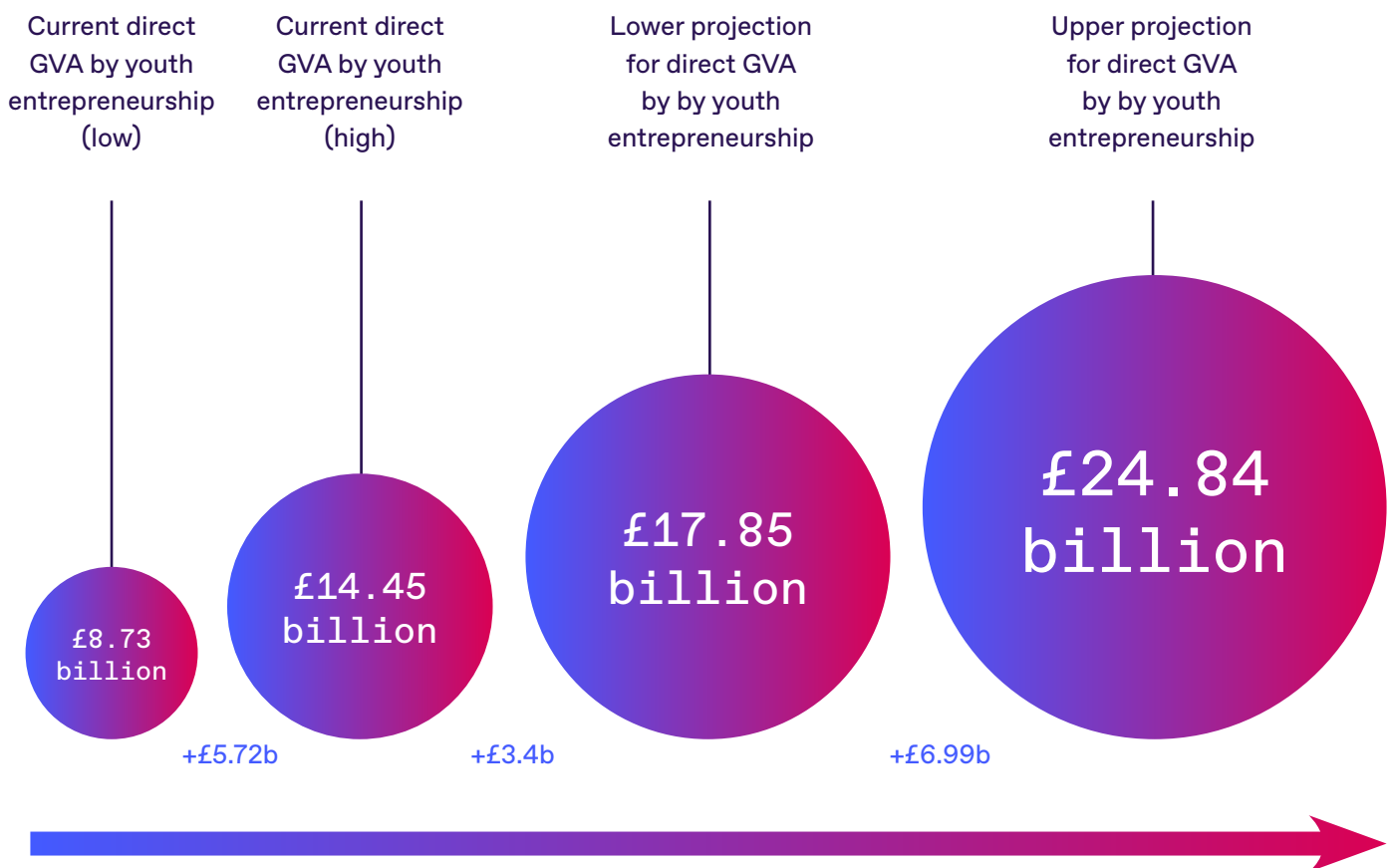
Category	Description
Opportunities	<div><div>→</div>Young people are more motivated than other generations to become self-employed</div> <div><div>→</div>Equipping young people with entrepreneurial skills can help tackle the productivity gaps and youth economic inactivity challenges within the UK</div> <div><div>→</div>Improved youth entrepreneurial outcomes can boost regional productivity through increasing business creation rates and innovation.</div>
Barriers	<div><div>→</div>Access to entrepreneurial skills and exposure to entrepreneurial activities</div> <div><div>→</div>Young people struggle to access start-up funding, as well as role models and networks</div> <div><div>→</div>Mainstream support is under-used by young people due to a lack of awareness and a lack of tailoring to their needs</div>



## Current and potential future GVA impact of youth entrepreneurship

Economic modelling conducted via this study shows youth entrepreneurship currently contributes between £8.73 billion and £14.45 billion of GVA to the UK economy. It also projects that if young entrepreneurs improved their productivity to match the USA's level, then a further £9.12 billion to £10.39 billion could be added to the UK economy.

The methodology for these calculations can be found in Appendix E.



# How Innovation Districts can support the UK's growth and entrepreneurial skills agenda ↴

This study on developing youth entrepreneurial skills provides critical insights to help UK Innovation Districts better support current and emerging national and regional policies. By addressing the gaps and opportunities in youth entrepreneurship, this study contributes to the following policy priorities:

## 1/ Increasing economic activity through upskilling

The 2024 Get Britain Working White Paper<sup>13</sup>, outlines the government's strategy to address economic inactivity and promote an inclusive labour market by upskilling the workforce. The aim is to create employment opportunities and reduce barriers to work through fundamental reforms to employment and skills support, ensuring that everyone, regardless of background or location, has the opportunity to participate and progress in work.

The Skills England Initiative<sup>14</sup> further strengthens this agenda by providing a long-term approach to addressing the UK's skills needs, by fostering collaboration between central and local governments, businesses, and training providers. Moreover, the government's Employer-Centric Skills Reforms<sup>15</sup> reinforce the importance of employer involvement in shaping the skills landscape.

This study demonstrates how localised support enhanced by innovation districts complements this White Paper's advocacy for place-based approaches to employment support. Through targeted skill-building programmes in innovation districts, the findings of this study aim to support young people in overcoming systemic challenges, accessing entrepreneurial pathways, and contributing meaningfully to the innovation economy, as well as reducing economic inactivity. This approach not only addresses the immediate challenges of unemployment among young people but also builds a foundation for sustainable economic development by nurturing a new generation of entrepreneurs, with the potential to create, sustain, and grow start-ups.

## 2/ Aligning to UK's industrial high growth strategy

The Invest 2035: The UK's Modern Industrial Strategy<sup>16</sup> focuses on fostering long-term economic growth by creating the conditions for regional investment in high-growth businesses in high-growth sectors. Central to this strategy is the vision of a more dynamic scale-up environment, where sectors, particularly those with innovative, high-growth potential, can thrive and contribute to a globally competitive economy.

By focusing on youth entrepreneurship, the study addresses a critical pipeline challenge; ensuring that the next generation of entrepreneurs is equipped with the skills and tools necessary to seize opportunities in high-growth sectors like AI, clean energy, and advanced manufacturing.

13 [Get Britain Working White Paper \(2024\)](#)

14 [Skills England to transform opportunities and drive growth \(2024\)](#)

15 [Skills for growth top agenda for business leaders and government \(2024\)](#)

16 [Invest 2035: the UK's modern industrial strategy \(2024\)](#)

This study directly supports these ambitions by examining how innovation districts can act as incubators for entrepreneurial talent, particularly among young people. By equipping youth with entrepreneurial skills and connecting them to networks, resources and mentorship within these high growth sectors. The study helps lay the groundwork for building more robust early-stage ventures that can rapidly scale and deliver higher economic returns. The study's approach not only enhances the UK's capacity to retain and grow innovative businesses but also ensures that skills needed for scaling up are widely distributed across the country, reducing regional economic disparities.

### 3/ Supporting devolution and regional empowerment

Recent UK devolution policies aim to grant greater autonomy to local and regional authorities to address their unique economic challenges and opportunities. For example, the English Devolution White Paper<sup>17</sup>, outlines the government's commitment to decentralising power from Westminster to local communities across England. The White Paper advocates for ending this 'cap in hand' approach, where towns and cities compete for limited resources, and instead aims to ignite growth in every region by empowering local authorities. This empowerment enables regions to address their unique socio-economic challenges and opportunities.

Similarly, the devolved administrations in Scotland, Wales, and Northern Ireland have been granted powers to tailor policies to their specific needs.<sup>18</sup>

- In Scotland, the devolution settlement has provided increased tax and social security powers, enabling the Scottish Government to implement policies that foster innovation and entrepreneurship. For instance, the establishment of Innovation Districts in cities like Glasgow has been a strategic move to boost regional economic development.
- In Wales, the devolution framework has evolved to grant full legislative powers, allowing the Welsh Government to focus on economic development strategies that promote regional empowerment. Their 'Youth Enterprise Strategy' (YES) was first created in 2004 and then updated in 2010, covering 5–25 year-olds. It aims to “develop and nurture self-sufficient, entrepreneurial young people in all communities across Wales, who will contribute positively to economic and social success.”
- Northern Ireland has also benefited from devolution, with powers over certain economic levers. The Belfast Region City Deal is a prime example of how devolved powers are being used to stimulate economic growth through investment in innovation and digital capabilities.

This study directly supports the objectives of devolution by identifying how innovation districts across the UK can act as localised hubs for entrepreneurial skill-building among youth. By fostering youth entrepreneurship at a regional and community level, the study reinforces the capacity of devolved regions to create sustainable economic growth, reduce inequalities, and improve access to opportunities in underserved areas.

<sup>17</sup> [English Devolution White Paper \(2024\)](#)

<sup>18</sup> [Devolution at 25: how has productivity changed in the devolved nations? \(2024\)](#)

Regions and devolved nations across the UK have different organisations, funding levels, and schemes available. A policy review was conducted as part of this study to understand the strengths and weaknesses of policy support for young entrepreneurs in different regions across the UK.

A detailed list of tables in Appendix D presents key policies and programmes reviewed in the policy analysis. These are organised from the national to the regional level, focusing on their connection to promoting youth entrepreneurship.

## 4/ Driving localised growth

New local growth plans across the UK will be pivotal in promoting inclusive growth, addressing regional inequalities, and stimulating economic development. According to the Institute for Government's 2024 report on Local Growth Plans<sup>19</sup>, these plans emphasise the importance of tailored, place-based strategies that leverage local strengths and address specific challenges.

This study aligns with these objectives by exploring how innovation districts can become catalysts for local economic development. Innovation districts, with their dense networks of universities, businesses, and support services, are well-positioned to nurture entrepreneurial ecosystems that reflect and respond to the unique character of their communities and industries by equipping young people with entrepreneurial skills to create localised job opportunities.

Fostering youth entrepreneurship directly supports resilient economies that can withstand global challenges and adapt to emerging opportunities. By tailoring entrepreneurial training and support to the local context, this study enhances collaboration between innovation districts and local authorities, amplifying the impact of strategic planning on the ground.

## 5/ Promoting a fully coordinated and inclusive innovation economy

Innovation is a key driver of economic growth, but its benefits are not always shared equally, often leaving underrepresented groups and economically lagging regions behind. The report 'Making Innovation More Inclusive'<sup>20</sup> from The Productivity Institute emphasises the need for coordinated approaches to create an inclusive innovation ecosystem that benefits all communities and addresses regional disparities. This is also supported by UK IDG's 2022 report<sup>21</sup>, which developed a 10 point wheel of inclusive innovation dimensions and called for more place-based, inclusive strategies to widen access to innovation opportunities, ensuring more people and places across the UK benefit from the innovation economy.

Furthermore, this study reflects key principles outlined in the UK Government's recent National Youth Strategy announcement<sup>22</sup>, which seeks to invite young people to be part of a national conversation on shaping policies that breaks barriers and affect their futures. This study has intentionally incorporated youth voices by recruiting a Youth Action Research Panel composed of 16–25-year-olds from diverse demographic, geographic, and underrepresented backgrounds. This approach ensures that the study's findings are deeply rooted in the lived experiences of young people, addressing entrepreneurial skills gaps that have often been overlooked in previous policy interventions. By integrating youth perspectives into the development of entrepreneurial support mechanisms, the study not only fosters more inclusive innovation practices but also aligns with national efforts to empower young people as key stakeholders in shaping future policies that directly impact them.

19 [Local growth plans: How government should support a place-based approach to its national growth mission \(2024\)](#)

20 [Making Innovation More Inclusive \(2024\)](#)

21 [UKIDG Opening the Innovation Economy: The case for inclusive innovation in the UK \(2022\)](#)

22 [UK Gov National Youth Strategy Press Release \(Nov 2024\)](#)

# Evolving the role of UK Innovation Districts ↘

**Addressing the UK's entrepreneurial skills gap among young people is critical for achieving the broader goals of inclusive economic growth, regional empowerment and innovation-driven growth and prosperity.**

As localised hubs, Innovation Districts represent a key mechanism for advancing these priorities by leveraging their unique assets and ecosystems to equip young people with the skills, tools, networks and opportunities to thrive in an increasingly challenging economy.

## Innovation Districts are uniquely positioned to meet the entrepreneurial skills need challenge

This study explored the hypothesis that UK Innovation Districts are well placed to lead inclusive entrepreneurial skills development. These districts bring together geographically concentrated triple helix ecosystems, integrating industry, local authorities and higher or further education institutions to foster innovation, collaboration and targeted support. With their dense local networks, infrastructure and expertise, Innovation Districts provide a strong foundation for delivering place-based initiatives that address local and systemic challenges, including disparities in skills, opportunity and entrepreneurial activity across regions and demographics.

While many Innovation Districts currently operate as triple helix ecosystems, their potential lies in evolving towards a model that meaningfully involves local communities (quadruple helix). Some districts are already making this shift, but a more deliberate and inclusive approach is needed across the board to fully realise their role in widening access to the innovation economy.

## The role of triple-helix organisations within Innovation Districts

The majority of success that Innovation Districts have had in fostering entrepreneurial talent lies in the successful coordination of the strategic roles played by each of the core triple-helix stakeholders, below:

### Industry

Businesses bridge the gap between education and real-world application, offering essential resources such as mentorship, funding, and professional networks. They provide young entrepreneurs with hands-on exposure to market dynamics, fostering a stronger connection between innovation and economic activity.

## Local Authorities

Local governments and combined authorities ensure entrepreneurial skills development aligns with broader economic strategies. By providing policy support, investing in infrastructure, and facilitating collaboration among stakeholders, local authorities enable the creation of inclusive and resilient entrepreneurial ecosystems that respond to local needs.

## Higher and Further Education Institutions

Universities and colleges play a pivotal role in nurturing entrepreneurial skills through programs that combine theoretical knowledge with practical application. Beyond their role as educators, they act as innovation hubs by hosting startup incubators, driving research initiatives, and partnering with industry to support the entrepreneurial pipeline.

## Evolving more Innovation Districts to a quadruple-helix model to meet policy priorities

While the triple-helix model has been instrumental in establishing Innovation Districts as hubs of collaboration, the study highlights the importance of evolving toward a quadruple-helix model. This approach incorporates the community, including local young people, as a fourth Innovation District stakeholder. Some UK districts are starting to adopt this approach more intentionally, but more deliberate efforts are needed to make it a defining feature of Innovation Districts nationwide.

By engaging young people directly, Innovation Districts can ensure that initiatives are aligned to critical national and local policy objectives:

1. **Increasing economic activity through upskilling:** Innovation Districts equip young people with the accessible tools to engage in entrepreneurial activity, reducing economic inactivity.
2. **Aligning to UK's industrial high growth strategy:** Innovation Districts nurture young entrepreneurial talent to develop high growth companies within local high-growth sectors.
3. **Supporting devolution and regional empowerment:** Innovation Districts serve as engines for regional growth by addressing local economic challenges through tailored entrepreneurial initiatives.
4. **Driving localised growth:** Innovation Districts build coordinated place-based entrepreneurial support ecosystems that align with the objectives of emerging Local Growth Plans.
5. **Promoting inclusive innovation:** Innovation Districts ensure that entrepreneurial opportunities are coordinated, accessible and equitably marketed to underrepresented groups. They can also ensure a sustained approach by guiding entrepreneurs through development programmes at different stages (and ages) of their journey.



03

# THE LANDSCAPE FOR THE UK'S YOUNG ENTREPRENEURS

03 / THE LANDSCAPE FOR THE UK'S YOUNG ENTREPRENEURS

**Realising potential gains from increasing youth entrepreneurial activity and productivity to the same level as the USA could add upwards of £10 billion to the UK's economy.**

## CHAPTER 3: KEY MESSAGES SUMMARY ↘

**The profile of the average entrepreneur has not changed in the last 10 years, despite success in implementing entrepreneurial support programmes.**

- The average UK entrepreneurs in 2015 were white males, aged 42, had a master's degree, and £20,000 in disposable income in savings.
- In 2022, the average UK entrepreneurs were still white males, in their forties, who live in the South East with a degree and previous work experience in the same sector as their business, as well as around £11,000 of disposable income in personal savings and access to £6,400 as a loan or gift from parents.
- A higher proportion of people from underrepresented groups in the UK are more likely to experience intergenerational and household poverty, and therefore cannot access the same resources
- Business support is largely designed with the profile of the average UK entrepreneur in mind, and whilst successful, there is opportunity to realise greater entrepreneurial activity by increasing access to realise the potential from the diverse entrepreneurial talent that exists in the UK.

**Entrepreneurial desire among youth is high, but action is low.**

- Early-stage entrepreneurial activity (TEA) in the UK has declined to just under 11%.
- Youth TEA (18–24) fell from 13% (2021) to 12% (2022), while other nations surged.
- Barriers to youth entrepreneurship include lack of access to finance, networks and skills support.

**Systemic barriers limit youth entrepreneurial outcomes.**

- Lack of access to finance, networks, and mentors hinders early-stage activity.
- Only 4% of young people currently sustain a business beyond three years.

**Young people underuse existing business support.**

- Entrepreneurial education is not embedded in the national curriculum in most of the UK, with only 35% of young people in England receiving start-up support in secondary school.

**Place-based approaches and Innovation Districts are key to progress.**

- There is large variation in youth entrepreneurship, skills, income, and economic inactivity across UK regions
- Cities with lower productivity offer high economic potential if the skills gap is closed
- Innovation Districts outperform their city averages by 27% in productivity terms.
- Community-based interventions (e.g. youth clubs) show promising outcomes

# The UK’s entrepreneurial environment ↘

The Global Entrepreneurship Monitoring (GEM) report measures the overall quality of entrepreneurial environments across different countries using a National Entrepreneurial Context Index (NECI), which is scored by national experts. As measured by the NECI, the UK’s entrepreneurial environment continues to decline slowly, with the NECI score of 4.7 in 2022 falling to 4.6 in 2023 and 4.5 in 2024.

The NECI score is the average of 13 individual Framework Condition scores demonstrated in Figure 6 and Figure 7. In 2024, just three conditions scored as better than sufficient ( $\geq 5.0$  —Commercial and Professional Infrastructure; Ease of Entry: Market Dynamics; and Physical Infrastructure), six others were seen as less than sufficient, three as poor ( $< 3.0$ ).

National entrepreneurial experts therefore do not believe the finance conditions, government policy conditions, or education conditions to be sufficient. In fact, no UK Framework Condition scored in the top 20 among the 56 GEM participating economies, although one (Physical Infrastructure) was placed in the bottom 10, at 46th. The NECI scores indicate that the UK’s entrepreneurial conditions are not sufficient to enabling entrepreneurship, and there is a need for greater support in providing access to physical infrastructure, finance, and entrepreneurial education.

Figure 6 - Comparative entrepreneurial areas of strength for the UK (Source: GEM Entrepreneurial Framework Conditions, GEM Global, 2024)

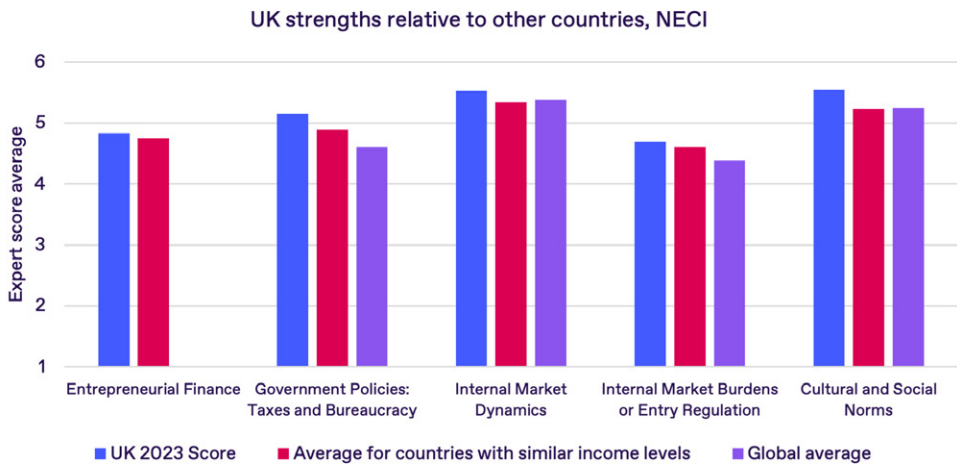
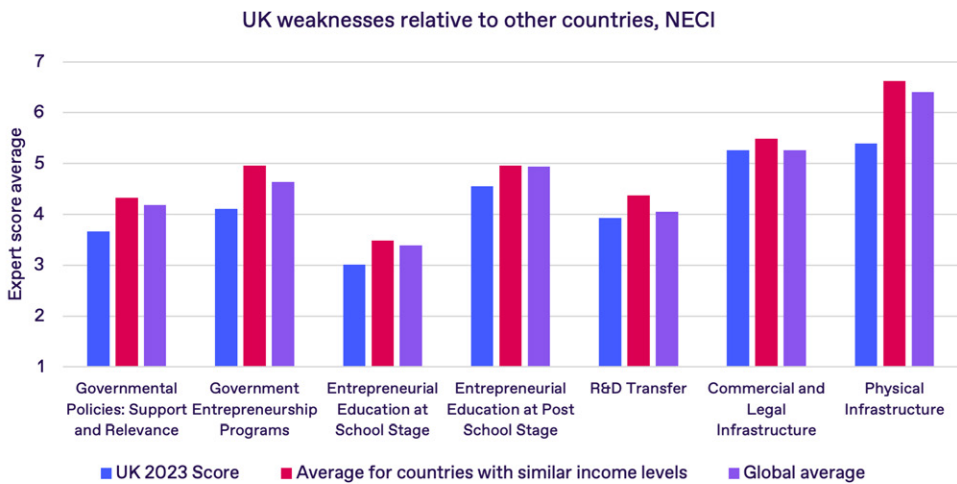
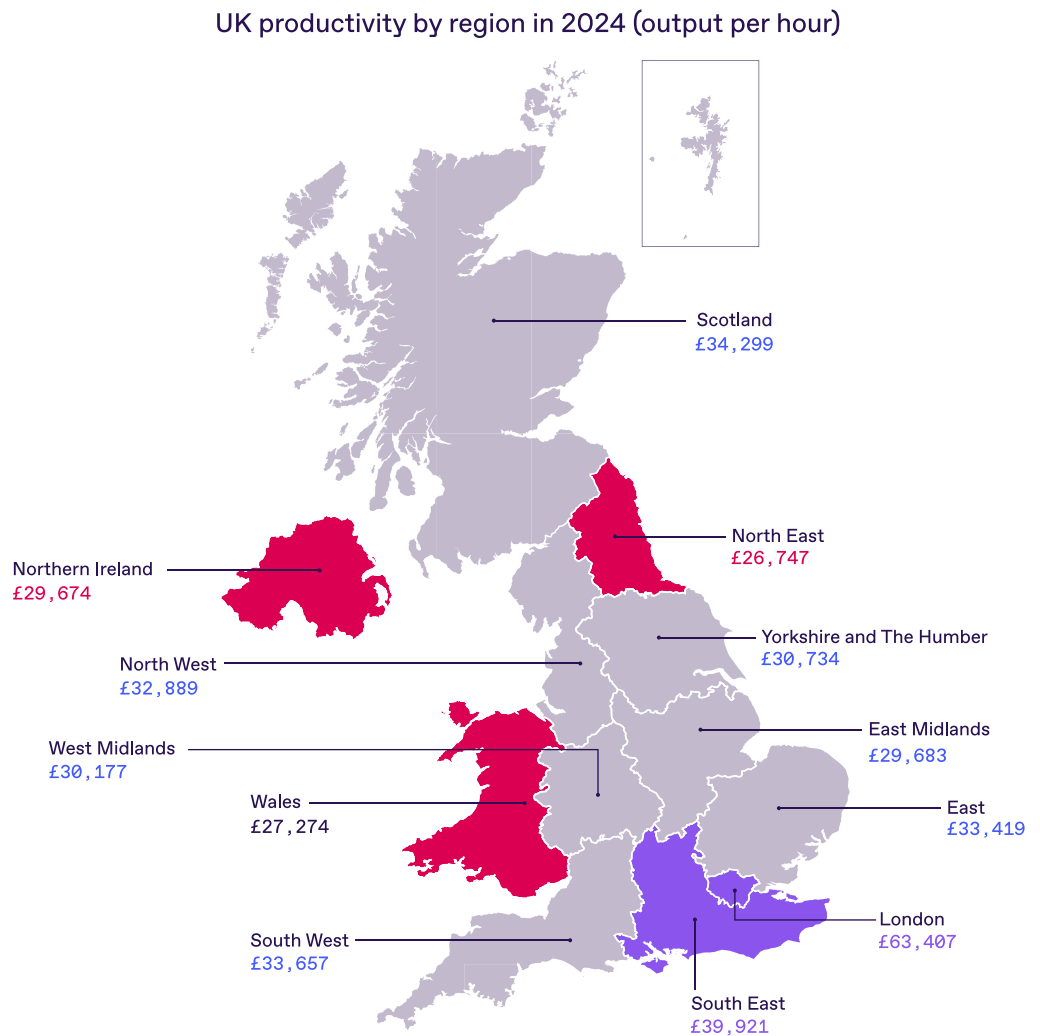


Figure 7 - Comparative entrepreneurial areas of weakness for the UK (Source: GEM Entrepreneurial Framework Conditions, GEM Global, 2024)



# The UK's regional entrepreneurship and productivity gaps ↘

Figure 8 - Variation in regional productivity by UK Region (Source: Office for National Statistics (ONS), 2024)



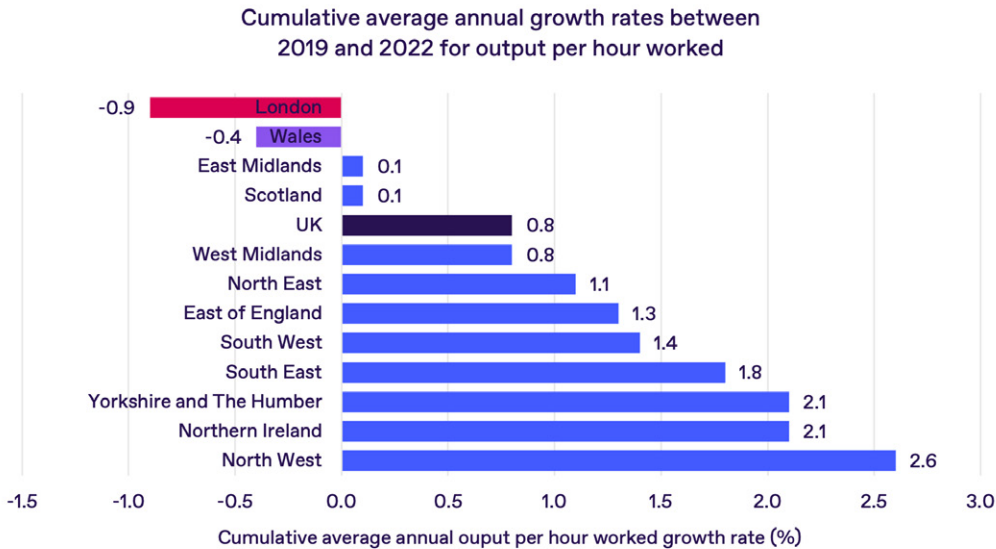
When examining productivity, only London and the South East exceed the average productivity across the entire UK. The North East, Wales, and Northern Ireland also are the least productive regions, with the smallest contributions in terms of GDP/capita, and the North West underperforms in productivity relative to its contribution to the UK economy.

## Despite outperforming the UK, London's productivity is stagnating

London's productivity growth rates have been stagnating in the last 10 years, growing by just 0.2 per cent per year between 2007 and 2019, and accounting for 42 per cent of the overall slowdown nationally<sup>23</sup>. Figure 9 shows the decline in productivity growth in London in comparison to other regions in the UK between 2019 and 2022.

23 Centre for Cities 2023. [“Capital losses: The role of London in the UK's productivity puzzle”](#)

Figure 9 - Cumulative average annual growth rates between 2019 and 2022 for output per hour worked, UK (ONS, 2024)



There are multiple London-specific challenges that may be affecting its productivity growth. This includes a changing share of investment into London, with increasing investment into sectors based in other regions such as clean growth sectors.

Other contributing factors in London’s productivity stagnation include effects from Brexit including migration policy on firms within finance, information and communications, and professional services that previously have driven London’s productivity growth, rising costs for office space that may crowd out investment into innovation, and increasing cost of living and housing prices that reduce London’s ability to compete for global talent and pushes residents out from the centre.<sup>24</sup>

Given that London generated around 23% of the UK’s Gross Domestic Product (GDP) in 2023, tackling its productivity stagnation is vital. There is therefore a need to support London in its productivity growth challenges, as well as simultaneously supporting other regions to capitalise on their relatively high productivity growth to close the national productivity gap.

Despite recent growth, regions outside of London face place-based challenges to continuing to improve productivity, and close the productivity gap.

Potter et al. (2025) find a number of common factors driving long-term changes in regional new business creation levels in the USA, England and Wales, and West Germany.<sup>25</sup> In particular, their analysis suggest that regional skills attainment, regional ‘openness’ as indicated by the share of foreign-born population, and regional population density are positively related to increases in regional start-up rates. Furthermore, they find that in all three economies the regions with low levels of new business formation in the base year are more likely to experience an increase than regions that already experienced relatively high start-up rates, demonstrating the potential increased effect on entrepreneurial activity in closing the productivity gap between regions.

Productivity is growing rapidly in other regions of the UK compared to nationally as demonstrated in Figure 8, although there are place-based differences, and must continue to be supported. The UK’s largest cities and towns do not become more productive with size. In comparison, in Germany, France, and the United States, there is a positive relationship between city size and productivity.

24 Centre for Cities 2023. “Capital losses: The role of London in the UK’s productivity puzzle”

25 Fritsch, M., Potter, J., Qian, H., & Fotopoulos, G. (2025). Persistence and change in regional entrepreneurship performance: a three-economy comparison. Regional Studies, 59(1). <https://doi.org/10.1080/00343404.2025.2474033>

A number of small cities, such as Slough and Swindon, are more productive than expected. Except for London, most large cities in the UK are less productive than expected. The underperformance of larger cities affects many more people than the underperformance of small- and medium-sized places, and has a larger effect on the UK economy. Among underperforming cities, if Manchester, Birmingham, and Glasgow closed their output gap, £33.2 billion could be added to the UK economy.

Closing the output gap of the next five largest underperforming cities could add a further £14.2 billion to the UK economy, whilst closing the gap in underperforming small- and medium-sized cities could add another £22.5 billion.<sup>26</sup>

Innovation districts are located within both larger and smaller UK cities, and have an average 27% higher productivity than the city average in which they are located.<sup>27</sup> There is therefore an opportunity through innovation districts to address varying productivity gaps across places in the UK.

The regional productivity difference across the UK can partially be explained by unique challenges faced by each region. A place-based understanding is therefore needed to address these challenges in promoting productivity and entrepreneurship.

Regional socio-economic profiles

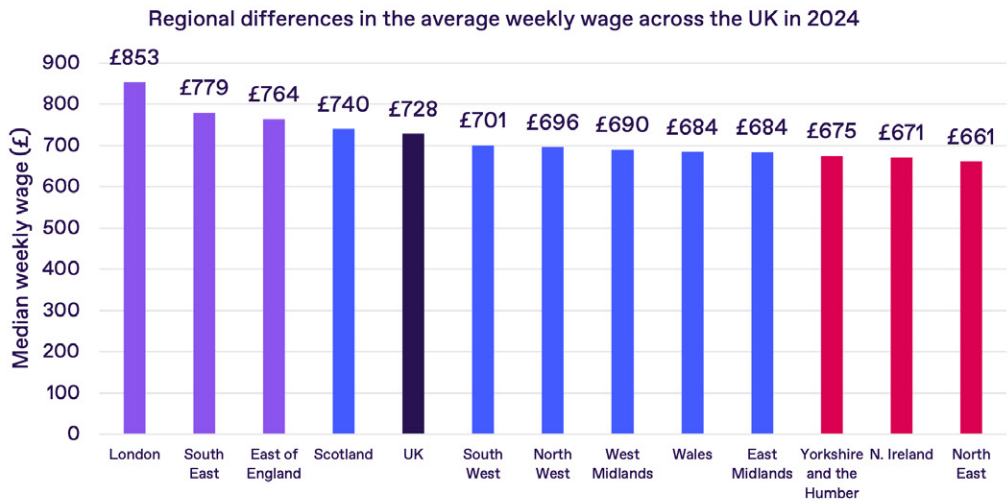
Each region faces different challenges to improving productivity and tackling economic inactivity, and many are informed by their socio-economic profiles.

Regional income inequality

Personal income is an important dimension of business creation. A lack of income can heighten motivation to start a business, however it also makes it difficult to sustain and grow that business. Income inequality still exists between regions in the UK (Figure 10).

The three regions and countries with the lowest median income are the North East, Northern Ireland, and Yorkshire and the Humber, each region earning more than £50 less each week on average than the rest of the UK. London, the South East, and the East of England are the top earners on average in the UK. The median weekly wage in London is nearly £200 more than that in the North East.

Figure 10 - Weekly wage by UK Region (Source: Annual Population Survey from Nomis, 2024)



26 [Centre for Cities - Cities Outlook 2024](#)

27 Innovation District Group Performance and Monitoring Dashboards (The Business of Cities, 2023)

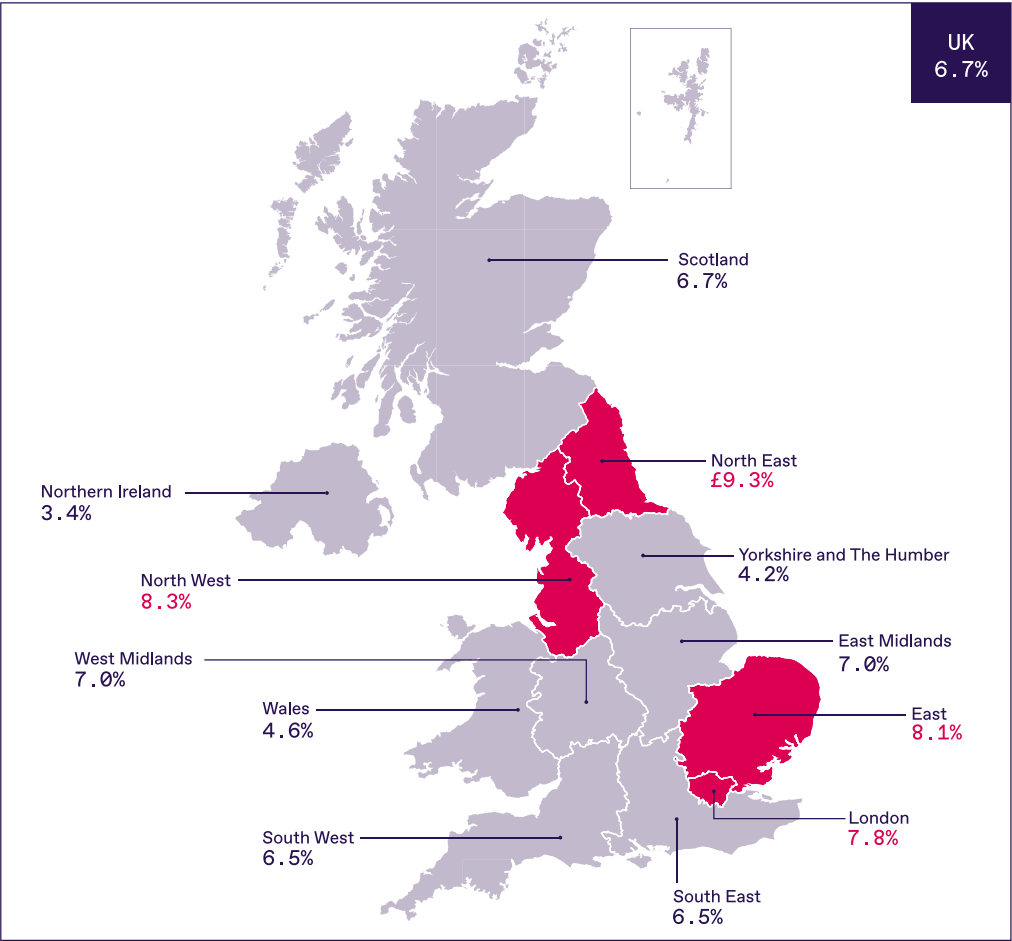


Regional youth economic inactivity

Part of the difference between regions in average household income can be explained by the variation in unemployment and economic inactivity rates. Much of this economic inactivity is inter-generational, and some of the regions with poorer households also face challenges in youth economic activity. Figure 11 shows the breakdown in the economic activity rates between each region and country in the UK in 2024.

The North East, North West, the East of England, and London have the highest youth unemployment rates in the UK, with the unemployment rate for youth in the North East reaching 9.3%. Reducing economic inactivity through providing young people with alternative routes to employment such as entrepreneurship can therefore help reduce regional inequalities.

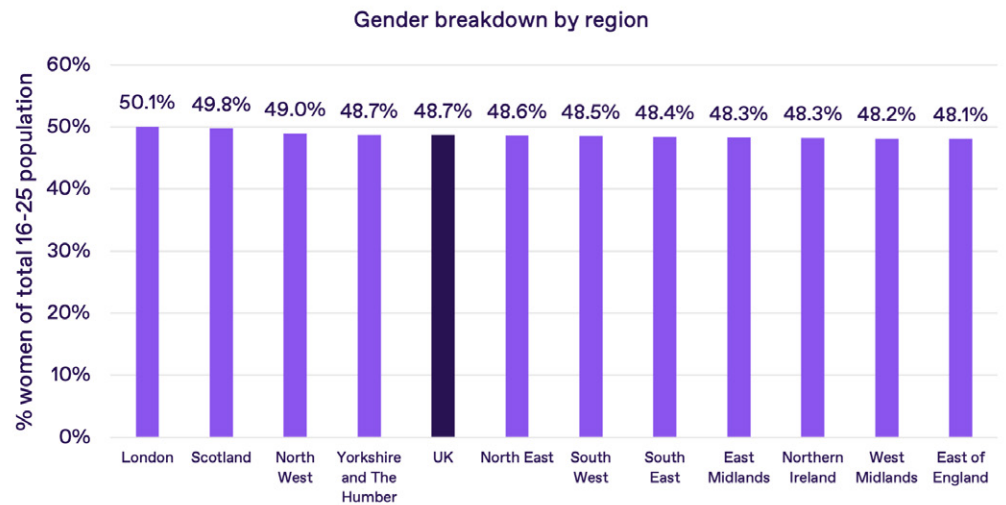
Figure 11 – Youth unemployment by UK Region (Source: Annual Population Survey from Nomis, 2024)



Youth demographic breakdown

Women make up approximately 49% of the total 16-25 population in the UK (Figure 12).

Figure 12 – Gender breakdown by UK Region (Source: Annual Population Survey from Nomis, 2024)



17.8% of the UK’s 16-25 population reported disability status, of varying severity, in 2024. The South West, North East, and the South East are the regions with the highest proportion of young people with SEND needs (Figure 13).

Figure 13 - Special Educational Needs & Disabilities (SEND) breakdown by UK region and country (Source: Annual Population Survey from Nomis, 2024)

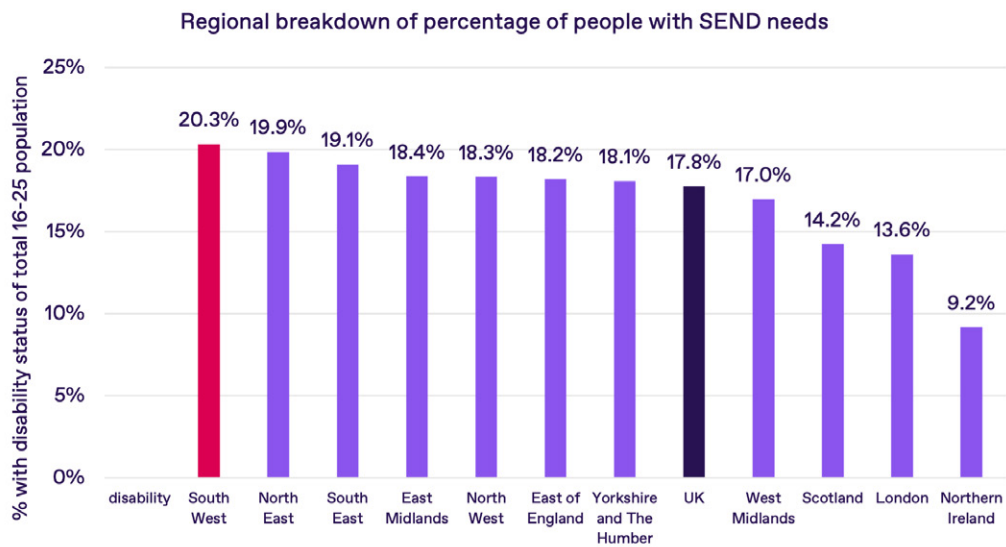
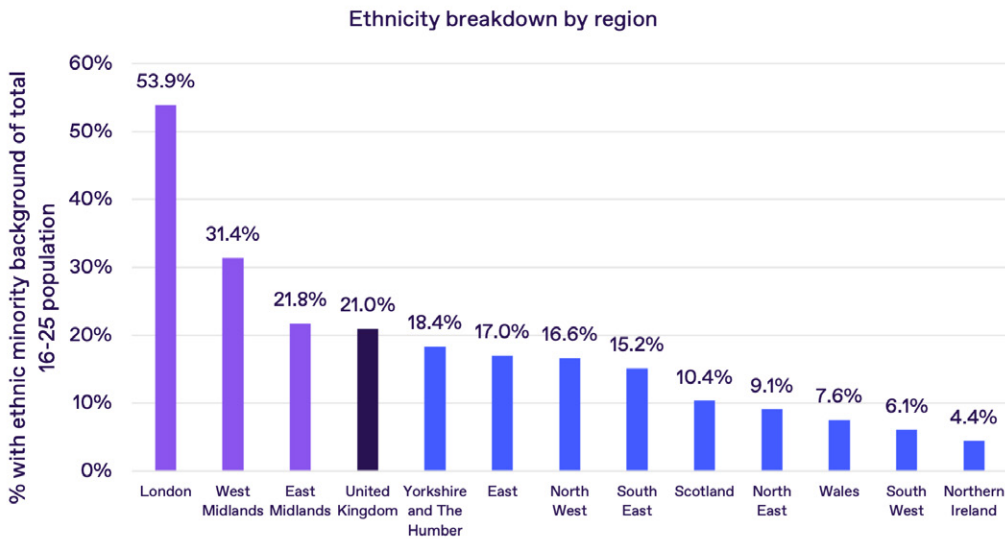


Figure 14 - Special Educational Needs & Disabilities (SEND) breakdown by UK region and country (Source: Annual Population Survey from Nomis, 2024)

21% of the UK's 16-25 population come from ethnic minority backgrounds. London and the Midlands are the most ethnically diverse regions in the UK. By contrast, Northern Ireland, the South West of England, Wales, and the North East of England are the least diverse regions (Figure 14).

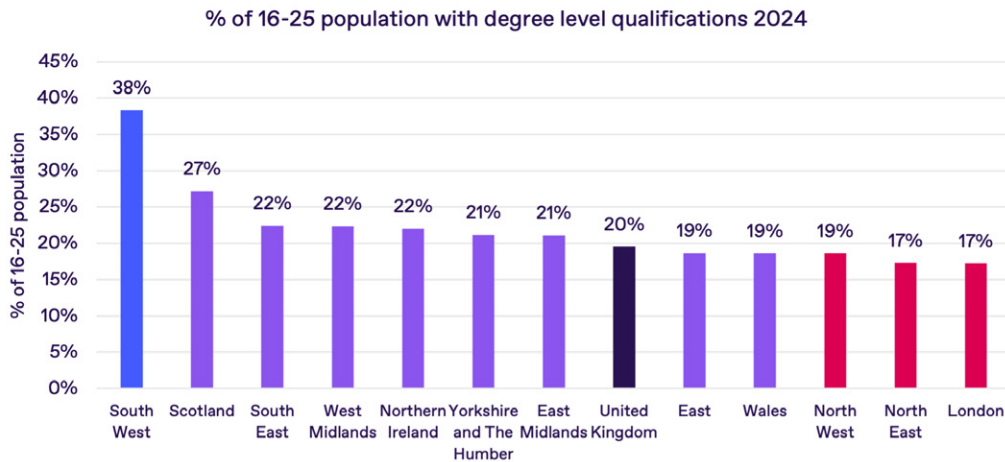


Regional skills gaps

A large proportion of employers report skill gaps amongst their employees in the UK. Qualification attainment varies across regions amongst the UK's 16-25 population (Figure 15).

London, the North East, the North West, and Wales have the lowest proportion of young people holding qualifications above Level 4 on the Regulated Qualifications Framework (RQF). This indicates lower levels of higher education attainment among young people in these regions, as Level 3 is equivalent to A levels and Level 4 and above corresponds to higher education qualification (for more detail on the definition of RQF levels, please see Appendix A). London is likely on this list due to the high proportion of 16-25 year olds who move to London to study for a qualification after A-Levels.

Figure 15 - RQF4+ qualification attainment by UK region and country (Source: Annual Population Survey from Nomis, 2024)

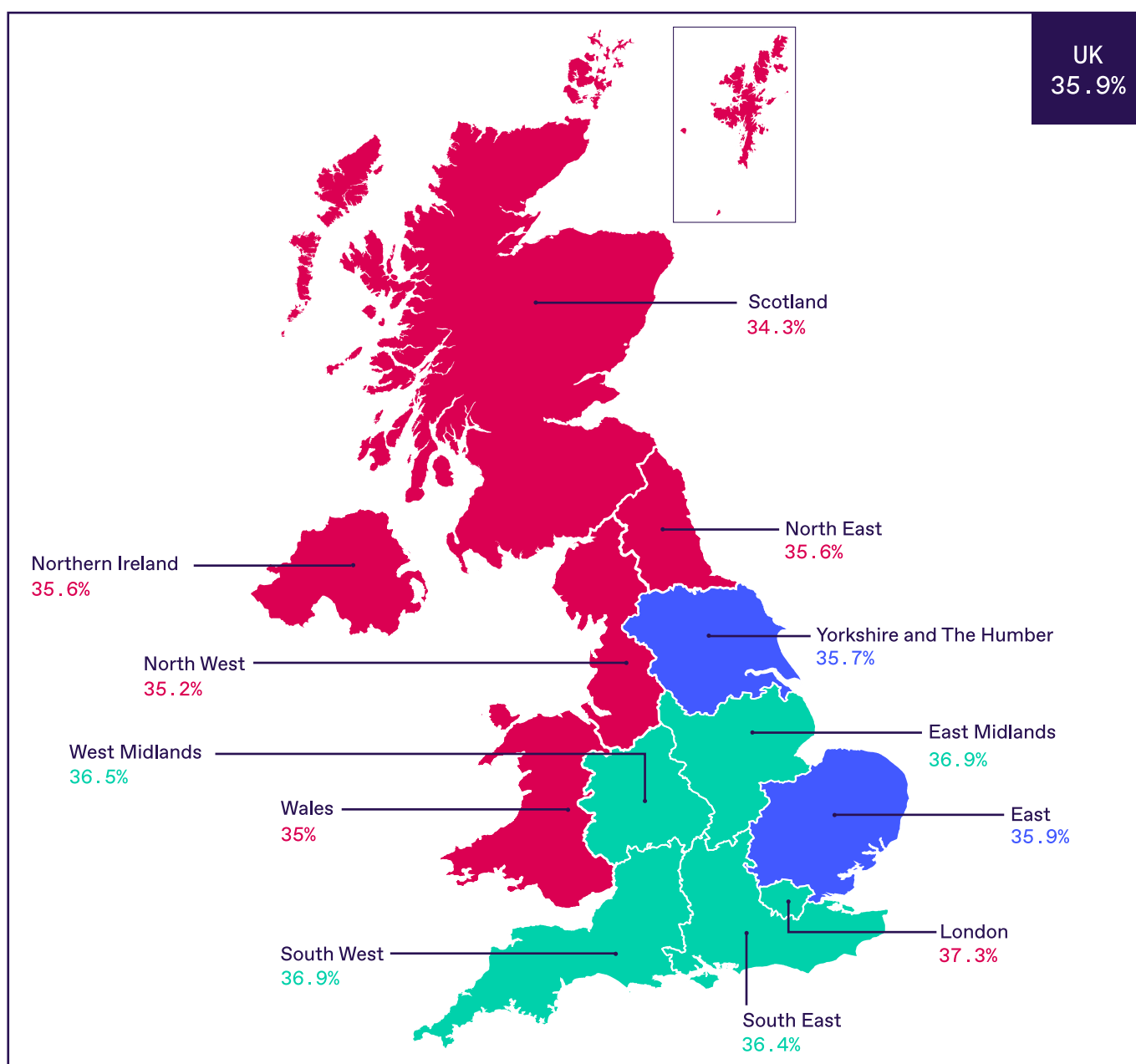


Expanding this analysis using the ONS Skills supply estimates in the UK: 2012 to 2023, and mapping entrepreneurial skills as defined by EntreComp to O\*NET classification of skills, we can see that there are also regional variations in the proportion of people possessing entrepreneurial skills. This analysis also takes Level 4 as a minimum level of competency in these skills.

As demonstrated in Figure 16, the regions and countries with the lowest proportion of people with sufficient entrepreneurial skills are Scotland, Wales, the North West, Northern Ireland, and the North East. By contrast, London, the Midlands, the South East of England, and the South West all have above UK average entrepreneurial skills. However, **the UK average of 35.9% of people having sufficient entrepreneurial skills is relatively low**, given 54% of young people aspire to start a business.

Figure 16 - Entrepreneurial skills competency by UK region and country (Source: ONS, 2024)

### % with sufficient entrepreneurial skills as judged by employers (total population)



Regional business ecosystems

Between 2023 and 2024, the total UK business population decreased by 56,000 (1.0%). However, looking historically, between 2010 and 2024 the business population increased by 1.0 million (+23%), with the highest rate of increase of +6.8% between 2013 and 2014 and the largest decrease was 6.5% between 2020 and 2021. In total only four decreases in the total UK business population have occurred since 2010, all since 2017, indicating a need to support new businesses becoming sustainable.

All regions experienced a decrease in the number of businesses over the past two years, as shown in Table3. Four out of the twelve regions in the UK showed an increase in the number of businesses between 2023 and 2024, but this increase did not restore the volume to 2022 levels.

London and the South East are home to nearly 35% of all UK businesses. The North East, Wales, and Northern Ireland have the least number of businesses, with declining or stagnant net business creation rates.

Table 3 – Number of businesses in 2022 - 2024 (Source: Inter-Departmental Business Register (IDBR), ONS, 2024)

	Births in 2020	1-year survival	1-year survival (%)	2-year survival	2-year survival (%)	3-year survival	3-year survival (%)
North East	9,085	8,525	93.8	6,370	70.1	4,720	52.0
North West	35,505	33,030	93.0	25,030	70.5	18,205	51.3
Yorkshire and The Humber	22,655	21,185	93.5	16,030	70.8	12,130	53.5
East Midlands	22,890	21,670	94.7	15,990	69.9	11,115	48.6
West Midlands	28,145	26,415	93.9	18,385	65.3	13,695	48.7
East	30,140	28,240	93.7	22,090	73.3	16,945	56.2
London	79,640	73,555	92.4	57,855	72.6	42,505	53.4
South East	47,685	43,365	90.9	34,465	72.3	25,615	53.7
South West	23,365	21,830	93.4	16,925	72.4	13,060	55.9
Wales	11,385	10,535	92.5	7,690	67.5	5,695	50.0
Scotland	16,850	15,865	94.2	12,480	74.1	9,435	56.0
Northern Ireland	5,670	5,255	92.7	4,090	72.1	3,290	58.0

Table 4 -UK High Growth Business Rates by UK region (Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics)

At the UK level, out of 291,000 businesses that had 10 or more employees in 2023, 13,750 businesses (4.7%) are classed as high growth. High growth businesses are defined as all businesses with more than 10 employees that have an average growth in employment of greater than 20% per year, over a three-year period.

All regions reassuringly saw an increase in high growth businesses in 2023. London was the region with the largest number of businesses showing high-growth, at 3,305 businesses, with a high-growth rate of 6.3%. **Northern Ireland had the smallest high-growth rate, at 3.1%.** Table 4 breaks down the number of high growth businesses by region.

	High-growth business count	Active business count (10 or more employees)	% growth rate of high growth businesses
North East	415	9,045	4.6
North West	1,400	30,835	4.5
Yorkshire and The Humber	965	22,225	4.3
East Midlands	805	19,835	4.1
West Midlands	920	23,775	3.9
East	1,170	26,905	4.3
London	3,305	52,465	6.3
South East	2,035	41,435	4.9
South West	1,205	25,260	4.8
Wales	460	11,100	4.1
Scotland	830	20,840	4.0
Northern Ireland	240	7,770	3.1

There are also sector and industry clusters located across the UK that play an impact on the types of businesses being created in each region and country in the UK. The Department for Science, Innovation, and Technology’s cluster map displays the different types of sectors and industries operating in high-growth clusters and the innovation economy in each region and country in the UK.

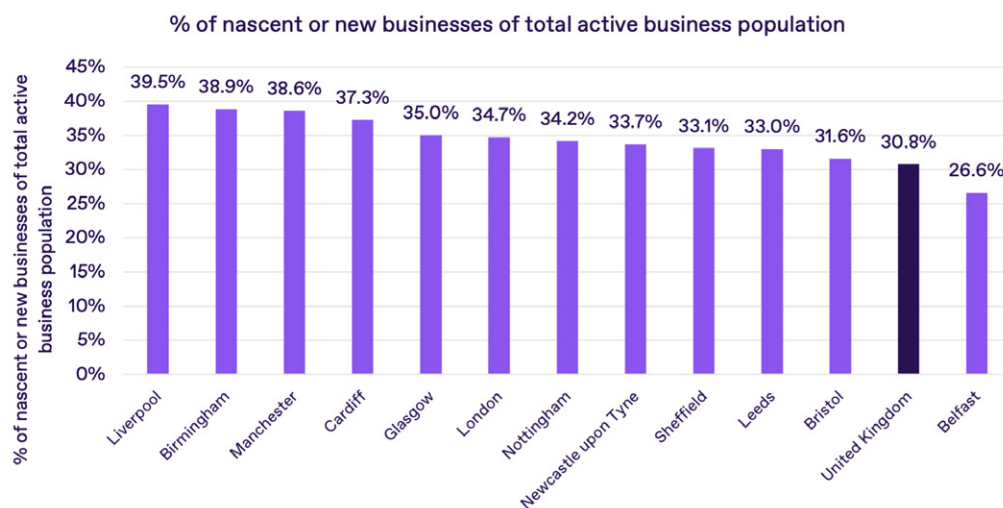
The transport and logistics sector has the greatest volatility in the survival of businesses operating within the sector, and is key to many sectors’ supply chains. The industry with the highest percentage of businesses in high-growth sectors was information and communication at 9.5%, followed by finance and insurance at 6.6%.

**In the UK, 30.8% of the total business population are nascent or new businesses.** Many cities where innovation districts are located outperform the rest of the UK in this regard, demonstrating the importance of a place-based approach to developing the UK’s start-up ecosystem. Figure 17 shows the cities with the highest proportion of nascent or new businesses in the UK in 2024.





Figure 17 - Nascent and new businesses in cities in the UK (Business Demography, ONS, 2024)



Often the sectoral focus and socio-economic profile of a place affects the type of business created, as demonstrated in Figure 18. According to Enterprise Nation's Start-Up Ambitions 2025 report, the most likely cities to be home to a new tech start-up was London and Newcastle-upon-Tyne (both 10%) and Liverpool was the most likely place to see a new manufacturing start-up (8%). However, almost half of those living in Liverpool with entrepreneurial ambition said they were motivated to start-up because they were worried about paying the bills (43%), followed by Glasgow (41%) and Cardiff (38%).

Figure 18 – UK's cities with the most entrepreneurial intentions (SOURCE: Enterprise Nation, Start-Up Ambition Report, 2025)

(Note: not all areas in the UK have equivalent datasets for this analysis, hence the exclusion of certain places with major start-up activity such as Sheffield)

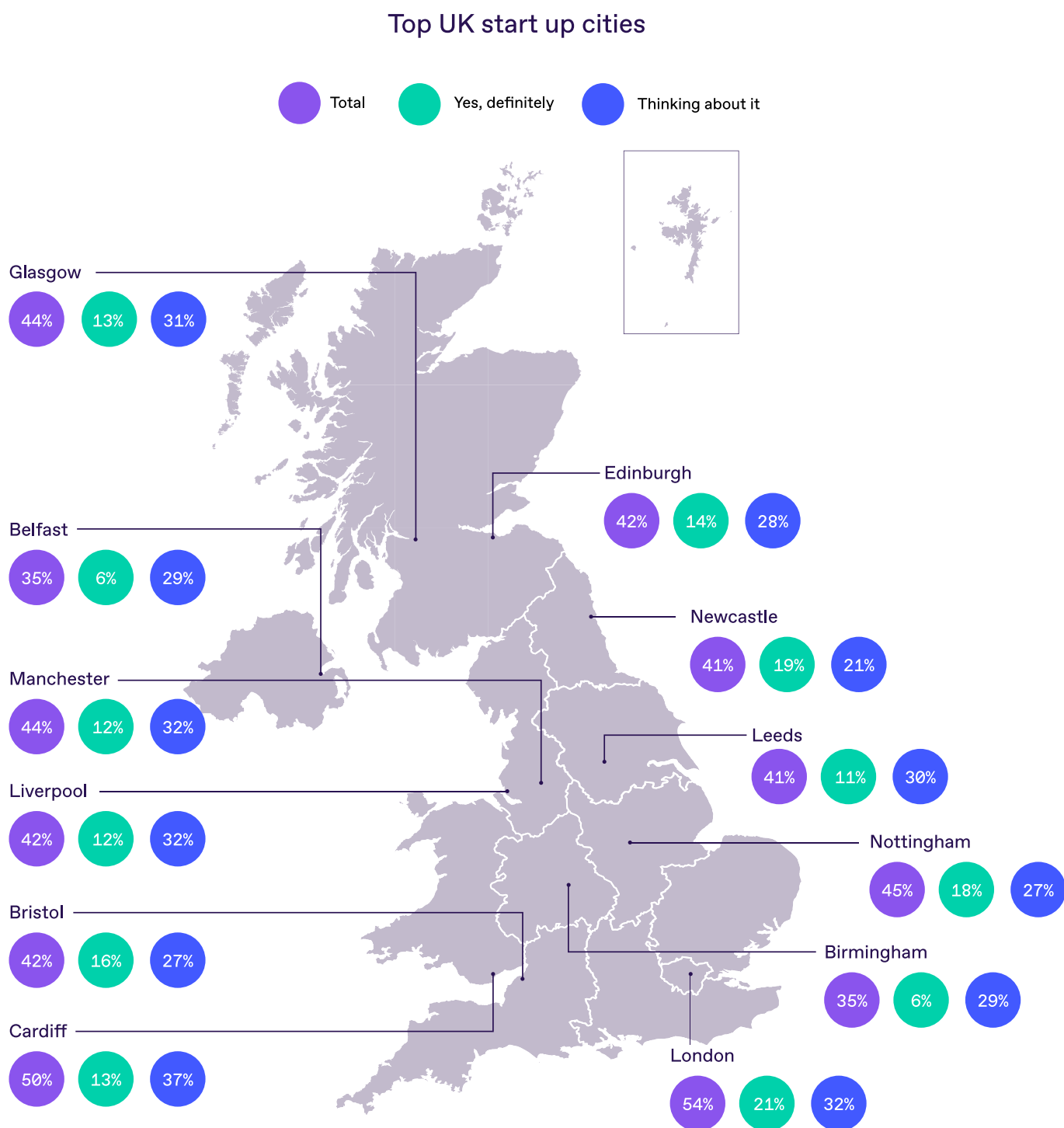
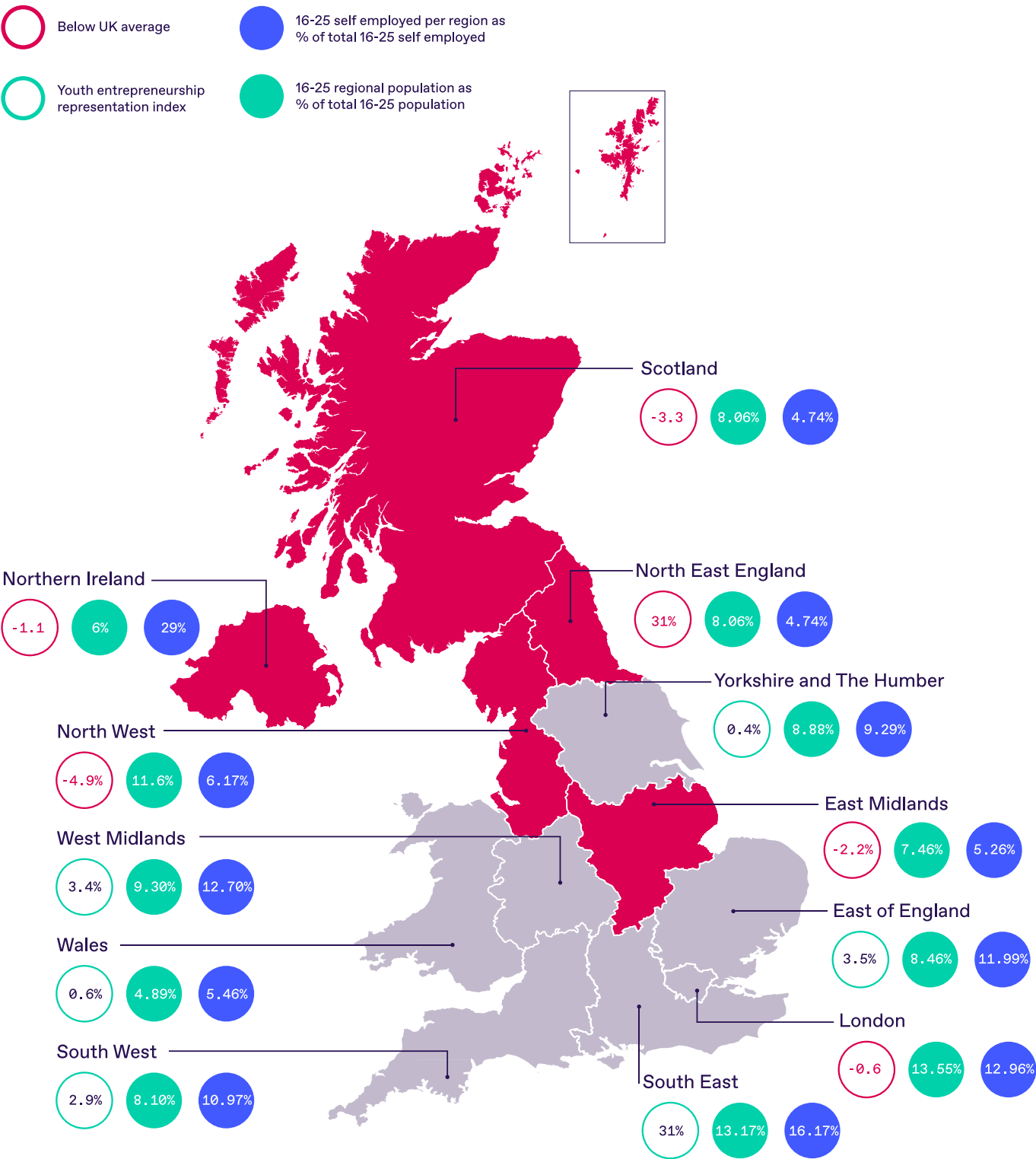


Figure 19 - Regional variation in UK youth entrepreneurial activity (Source: Annual Population Survey 2024, from Nomis)

Regional youth entrepreneurship

Regional differences in youth entrepreneurship could contribute to productivity gaps. Figure 19 demonstrates the regional variation in UK youth entrepreneurial activity. The regions and countries with the least representation of young people in business creation are the North West, the North East, Scotland, the East Midlands, and Northern Ireland.

Regional differences in young people who are self employed



Part of the explanation for the variation in youth entrepreneurship in the UK is that young people often feel they need to move to start a business. The total entrepreneurial activity of young “in-migrants,” who are people who move to other parts of the UK, is 2.1% higher, at 15%, than that of those who remain in their local area, which is 12.9%.

This suggests that young people may be relocating to other parts of the country to start a business because they perceive that other places offer more of the support they need. This perception may stem from a lack of awareness or access to local support, or a belief that the support provided locally is insufficient to start their business.

A significant factor contributing to this perception is the limited provision of entrepreneurial education and support outside of traditional educational settings. Between 35% and 51% of young people in England report receiving business startup guidance or support during their secondary education.<sup>28</sup> This gap is particularly pronounced in regions with lower levels of economic development, where access to entrepreneurial resources is often limited.

Community-based programmes have shown promise in addressing this gap. For instance, among those who received business support from a youth club, 83% found it useful. These findings highlight the importance of providing place-based entrepreneurial skills support outside of traditional education to tackle regional productivity gap challenges.<sup>29</sup>

## Gaps in data

There are key data gaps, where national datasets do not have enough observations to yield meaningful information at a place-based or regional level about:

- Income for young self-employed people
- Survival of UK start-ups by sector, age, ethnicity, health status, and socio-economic status of owners
- Forms of self-employment including platform-based working and ‘side hustles’
- Whether young self-employed people work as freelancers or run their own business
- Sector, ethnicity, health status, and socio-economic status of young self-employed people
- Consideration of intersections between groups
- Specific occupations or sub sectors where there are concentrations of young self-employed people, other than construction.
- Business growth rates by ownership demographic in high growth and frontier innovation economy sectors as these may be skewed different to other sections of the economy

Therefore, there is still more data collection and analysis required to understand some of the key challenges that young self-employed people face across the UK. Much of this data is already collected as part of the Labour Force Survey/Annual Population Survey data collection, which could be made more readily available, particularly data investigating intersectionality.

The Office for National Statistics (ONS) could collect some of this data through the Annual Business Survey, and the Department for Business and Trade (DBT) could also collect this data through the Longitudinal Small Business Survey or the UK Innovation Survey.

28 The Prince’s Trust’s ‘Young Entrepreneurship Review’ (2021); Federation of Small Businesses’ Youth Entrepreneurship report

29 [Generation Entrepreneur Report \(2025\)](#)

# The UK's youth entrepreneurial journey ↘

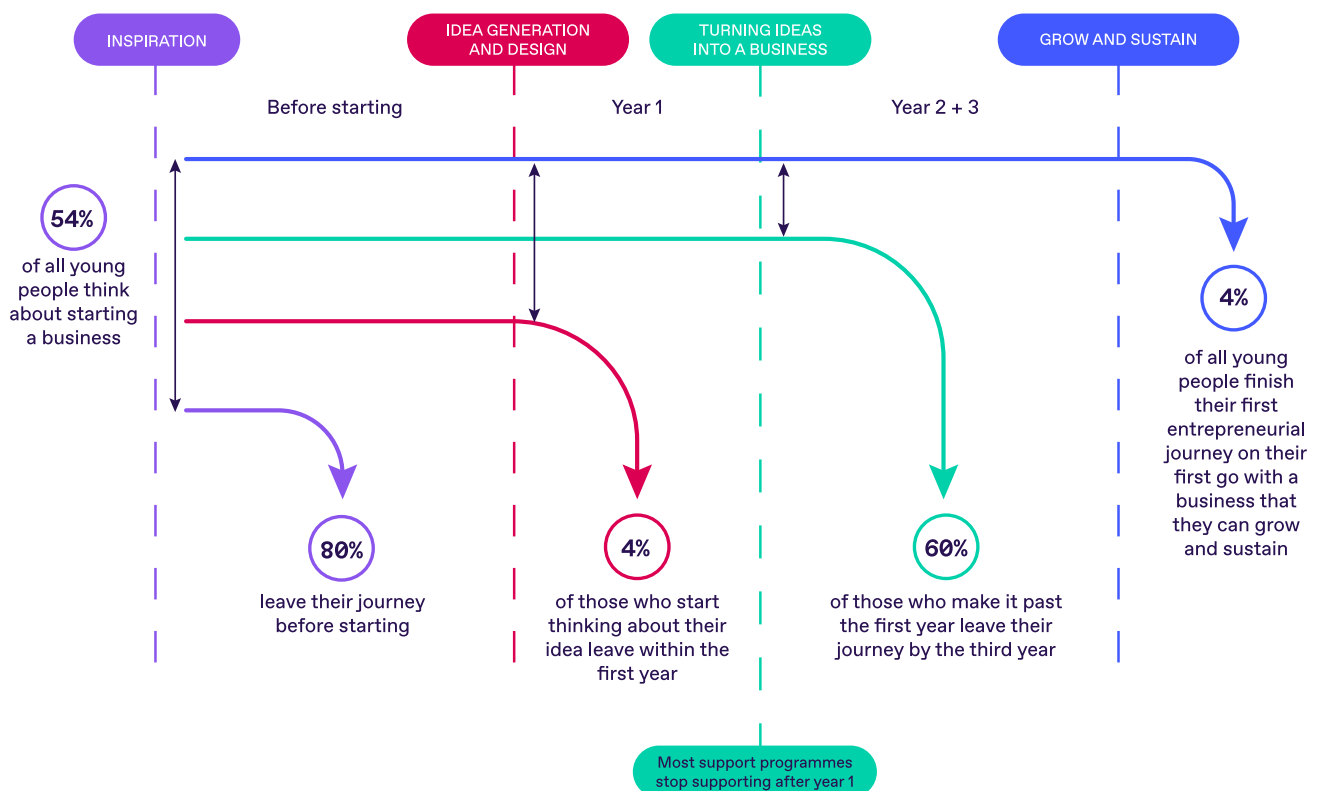
Young people face challenges at key stages in the entrepreneurial journey. As they explore self-employment, there are economic and social benefits for organisations and governments to provide opportunities to support them to fulfil their potential on their entrepreneurial journeys, and support in tackling productivity and economic inactivity challenges.

## The youth entrepreneurial journey

Figure 20 illustrates the typical entrepreneurial journey of young people, highlighting the key stages and challenges that contribute to early exits. While 54% of young people consider starting a business, 80% disengage before taking any action. Of those who proceed to idea generation, 4% drop out within the first year, and a further 60% of those who continue beyond year one exit by their third year.

Ultimately, only 4% successfully establish a sustainable business on their first attempt. Improving both the productivity of the existing 4% who establish a sustainable business, as well as improving upon this percentage, requires a targeted approach to improving young people's entrepreneurial skills. This study aims to increase that 4% baseline by identifying the skills, support systems and inclusive practice interventions needed to help more young people not only start, but grow businesses.

Figure 20 - Youth entrepreneurial pathway with drop-out rates



## Generation Z generation's high entrepreneurial desire driven by independence, flexibility and purpose

Entrepreneurial awareness is high in the UK amongst young people. Around 50% of young people in the UK knew someone who has recently started a new business or saw good opportunities to do so locally in 2024 (GEM, 2024).

People within Generation Z are also seeking out alternative employment routes as they struggle to access the jobs they prefer. The European Magazine (2022) stated: "New research has found that 89% of Generation Z (people born between 1997 and 2012) say they would like to run their own business." Enterprise Nation data indicates that around 54% of young people in the UK would like to become a business owner.

Enterprise Nation research in 2024 also reported that 48% of young people wanted to start a business to be their "own boss" or for greater "flexibility". The top motivations for young people to be self-employed are:

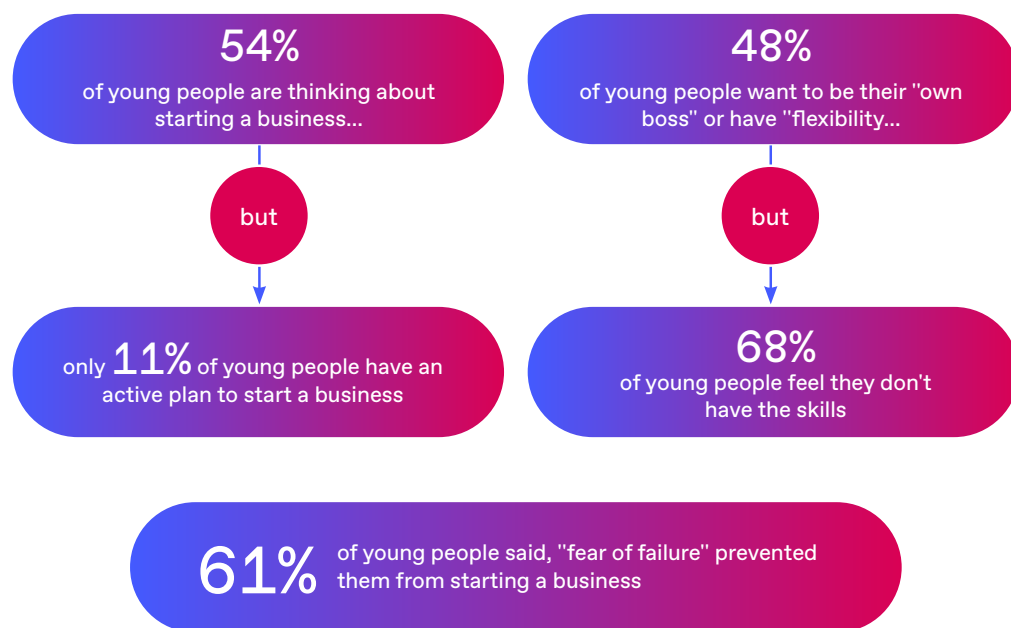
- Independence, control, and freedom
- Flexibility and work-life balance
- Pursuing passion and creativity

The motivations "to build great wealth or very high income" and "to earn a living because jobs are scarce" are also popular among new entrepreneurs of all ages, including young people. Almost one in four UK adults report that their household income has reduced in the current year, a proportion that has fallen slowly each year since 2020. There are therefore two main strands of motivation to start a business: necessity and autonomy.

In terms of the types of businesses that young people are motivated to create, around 60% report that they prioritise environmental or social impacts above profitability or growth. Similarly, new and growing businesses' prioritisation of sustainability is seen as better than sufficient.



## The confidence gap in youth entrepreneurship and the role of failure



Despite strong interest among young people in entrepreneurship, a significant gap exists between their desire to start a business and their ability or confidence to take action. Research from Enterprise Nation<sup>30</sup> highlights this disconnect, revealing that while 54% of young people are thinking about starting a business, only 11% have an active plan to do so.

This disparity is further reflected in young people's motivations and perceived barriers. Nearly half (48%) are drawn to entrepreneurship because they want to be their own boss or have the flexibility that self-employment offers. However, 68% feel they lack the necessary skills to start and sustain a business.

The single biggest obstacle preventing young people from making the leap into entrepreneurship is 'fear of failure', cited by 50% as a key reason for not starting a business. More recent data from the GEM UK tells us this figure is even higher at 61.3% in 2024, a nearly 20% increase from 2019 (GEM, 2024).

With only 11% of young people in the UK intending to start a business within the next three years, despite between 54% and 76% of Generation Z expressing entrepreneurial aspirations, the country faces a confidence gap that is directly impacting new enterprise creation. This growing reluctance due to 'fear of failure' is not unique to the UK but has been noted in recent global GEM reports. It shows that in 48 out of 51 economies, at least one in three individuals who recognise good business opportunities refrain from starting a business due to fear of failure.

Addressing this issue presents a major opportunity to improve the UK's relative performance in entrepreneurial activity. Reframing young people's attitudes towards failure is essential to helping them see it not as a barrier but as a natural part of the entrepreneurial journey. Instilling resilience and normalising failure as a 'rite of passage' can help shift mindsets, ultimately fostering a more confident and capable generation of entrepreneurs.

<sup>30</sup> [Enterprise Nation: Start-up Ambition Report \(2024\)](#)

Actions to reduce this fear of failure could include policies to reduce the personal cost of failure. It is also important to improve awareness of failure rates and the actual associated risks, as well as upskilling young people in the use of risk management techniques. Similarly, more publicity of relatable role models who have managed to succeed despite earlier failures is key.

## Young people do not start businesses as they feel they do not possess the skills

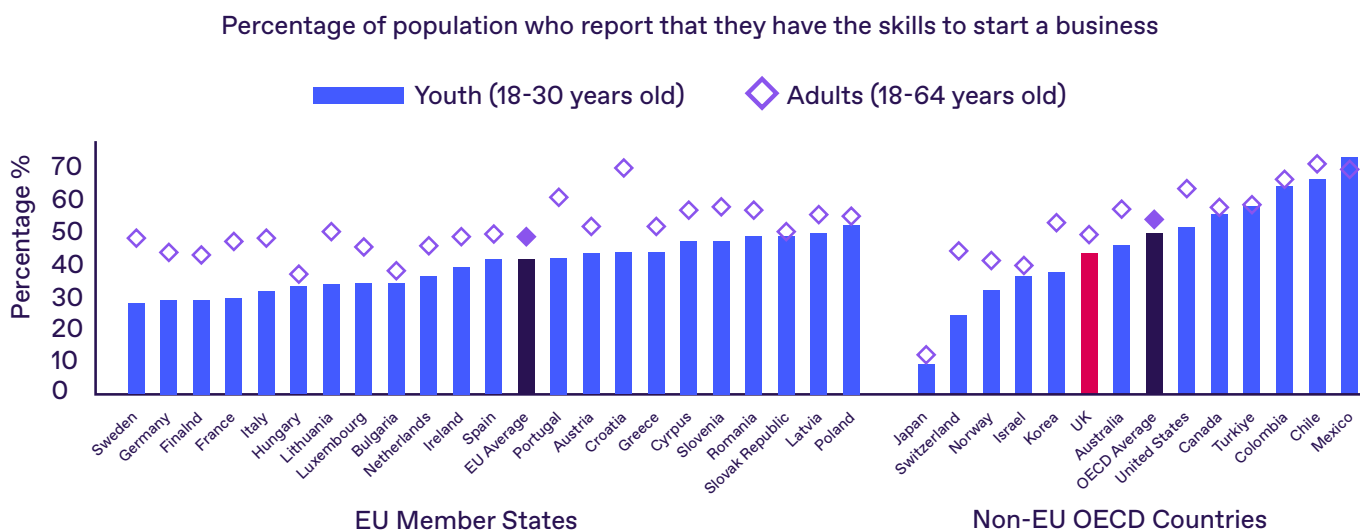
A key contributor to the fear of failure is to do with skills. Young people in the UK lack confidence in their skills, with 49.7% reporting that they do not possess the skills to start a business (GEM, 2024). Enterprise Nation research in 2024 also shows that the entrepreneurial skills gap may be larger with 68% of young people reporting that they do not feel they have the skills to start a business.

There are multiple contributing reasons for this sentiment amongst UK young people:

- The teaching and development of enterprise skills is not effectively integrated into the education system, and there is limited accessible support outside of education.
- Many young people lack opportunities to develop practical entrepreneurial skills including much of the sector-specific professional experience that is most useful in developing entrepreneurial talent requires years of experience inaccessible to young people thinking of launching a business.
- Many teachers lack exposure to entrepreneurial thinking and skills.

Figure 21 – Percentage of population who report that they have the skills to start a business (GEM 2023)

The lack of confidence among young people in their ability to start a business is not unique to the UK. In the UK, only 42.5% of young people believe they have the necessary skills, which is slightly above the EU average of 41% but still significantly below the OECD average of 48.4%, as shown in Figure 21.



Therefore, there is an opportunity to equip UK youth with entrepreneurial skills, and raise awareness of what those skills are to close the enterprise gaps with leading OECD countries.

Actions to address perceptions amongst UK youth that they do not possess the skills to start a business are explored later in this report. These include direct upskilling through coaching and training, access to relatable role models and mentors, and improving awareness of self-employment routes and opportunities.

## Access to finance is a recurring challenge for young people looking to start a business

A range of self-employment routes have been created through the rapid advancement of internet and digital technology in the last decade. Self-employment opportunities have similarly become increasingly democratised and more varied through the increased access to global markets and supply chains.

However, the recent global GEM report revealed that many new entrepreneurs in all economies perceive it to be getting harder to access finance start a new business. Reasons for this could include the current macroeconomic conditions including the cost-of-living crisis, and reduced accessibility of support such as finance.

## The UK's socio-economic climate limits young people's capabilities to start a business

Many young people lack the economic freedom to launch a business due to lack of available funds, work commitments, and other time constraints due to their socio-economic circumstances. Similarly, consecutive external shocks from the effects of Brexit and the COVID-19 pandemic have created difficulties in starting businesses in the UK.

**The real wage in the UK was the same in June 2024 as it was in 2008, with the average weekly real earnings for a UK citizen being £516 (in 2015 £s). This means that the effective purchasing power of the average UK citizen is the same now as it was 17 years ago, despite rising costs.**

The pressure on consumption has led many to pursue “side hustles” alongside their employment to supplement their income, with 66% of young people aspiring to start a business alongside their current work.

With the cost-of-living crisis, and the effects of Brexit and the COVID-19 pandemic, causing financial difficulties and job insecurity for many, **Enterprise Nation research found those starting-up to supplement their full and part-time income had risen from 33% to 40% in 2024.** Another 25% said they were worried about earning enough to pay housing costs and energy bills. These part-time businesses are however often not scalable or leading to job creation.

The link between socio-economic circumstances and business creation rates is therefore unclear, with more research needed. Spencer and Gómez (2004, p. 1105) observe that countries with a lower GDP per capita have higher self-employment rates and smaller businesses than richer countries. Meanwhile, Huang et al. (2023) find that a high GDP per capita provides better conditions for entrepreneurs to start and grow their businesses.

Nonetheless, it is clear that access to finance could help mitigate the effects of the UK's current socio-economic climate.

## Young people struggle to access finance and are discouraged from taking on debt

The European Commission's 2023<sup>31</sup> survey revealed that 40% of respondents identified a lack of capital and resources as a key barrier to entrepreneurship. Financial support in the form of grants was the most commonly cited type of assistance that young people felt would help them start a business.

Access to adequate start-up funding is a challenge that entrepreneurs of all ages face. However, it is particularly difficult for young people due to their lack of security (substantive credit history, sufficient collateral or guarantees) and credibility (lack of experience).

The lack of access to finance and high levels of discouragement in approaching banks for finance products among young people is compounded for those belonging to underrepresented groups at all stages of the entrepreneurial journey. A review of the international examples of support initiatives conducted as part of this research shows this barrier is addressed by making access to finance a key component of a more comprehensive package of business support.

There is also a lack of opportunity to dedicate time to starting a business outside of those who can access funding. Accessing funding also generally requires a business plan, and a solid idea, which take time to develop. The act of launching a business can also cause young people to lose access to welfare support and other forms of state income. This means that the majority of young people who start a business do so alongside employment.

The UK's benefits system, since the 1990s, has no longer supported young people in starting a business as it previously did through the Enterprise Allowance Scheme (EAS), and then the New Enterprise Allowance (NEA). Around 24% of people who accessed EAS were under the age of 25.

EAS was instrumental in supporting now-renowned entrepreneurs such as Superdry's Julian Dunkerton, Creation Records' Alan McGee, and the artist Tracey Emin. Statistics show that 67.6% of EAS participants continued to run their businesses 18 months after enrolling or were still self-employed, and 22% of these businesses employed at least one additional person.

According to World Bank analysis, the cost per job created under the EAS was approximately £2,204 at that time, equivalent to about £5,369 today. Assuming that a fifth of participants who continue to run their businesses create jobs and that these jobs are compensated at the minimum wage, a similar scheme today for those on Job Seekers' Allowance could provide above a 200% return on investment per participant. The return of a similar scheme, which is more generous than other out-of-work benefits, could incentivise more young people to become entrepreneurs and activate the NEET population.

31 [European Commission Flash Eurobarometer 513: Social entrepreneurship and youth \(2023\)](#)

## Young people lack awareness of a wider range of potential self-employment routes, and exposure to role models and networks

In addition to financial barriers, a key limitation on young people's capabilities to start their entrepreneurial journeys is access to role models and networks. The King's Trust found that 80% of young people believed having industry contacts was essential for starting a business. This is reflected in the European Commission data, which showed that networking support was the second most sought after type of assistance among young entrepreneurs. The King's Trust also noted that young people prefer informal peer to peer networking rather than formal business networks, highlighting the difficulties they face in developing professional relationships.

Exposure to innovation and entrepreneurial activities in childhood is a primary predictor of individuals becoming an inventor in adulthood.<sup>32</sup> The research found that access to role models or networks in childhood affects the likelihood of someone entering entrepreneurship more than factors that only affect general human capital accumulation, such as the quality of schools. These findings suggest that there are many "lost Einsteins", who would have had highly impactful inventions had they been exposed to innovation in childhood, especially among women, ethnic minorities, and children from low-income families.

Young people often lack access to relatable role models, mentors, and professional networks due to limited work experience. They are also frequently perceived as having less to contribute to reciprocal relationships, which can discourage meaningful connections. As a result, many turn to the internet for inspiration rather than their local networks.

According to Enterprise Nation research, the most popular sectors for young entrepreneurs aged 18 to 24 are fashion, media, graphic design, food and drink, beauty, and arts and crafts. While these sectors are accessible and appealing, there is a pressing need to raise awareness of wider self-employment opportunities—particularly those within the frontier innovation economy and the UK's priority 8 high-growth sectors, as outlined in the Invest 2035 Industrial Strategy (and listed in the Appendix A glossary).

A review of 15 entrepreneurial education programmes by the Innovation Growth Lab suggested that adding the right role models to entrepreneurship education programmes can improve participants' beliefs, attitudes, and intentions towards entrepreneurship.<sup>33</sup> For those surrounded by a thriving entrepreneurial ecosystem, being exposed to a role model may even influence their choice to join an early-stage start-up: parental entrepreneurship can increase the probability of children's entrepreneurship by as much as 60%.<sup>34</sup>

Improving visibility and understanding of these high-growth sectors will help young people consider pathways beyond their immediate interests and experience, ultimately supporting more widely impactful entrepreneurial and economic outcomes. Therefore, local decision-makers and support organisations need to understand the self-employment landscape, examine potential risks to quality self-employment, and to help all young people find good high-value work.

Support for talented young people with high-potential and high-growth business ideas could result in economic gains and innovation. Even without a high potential or high growth business idea, providing entrepreneurship support schemes also helps young people develop transferable skills that will benefit their career (and other businesses), regardless of whether they start a business.

32 Alex Bell, Raj Chetty, Xavier Jaravel, Neviana Petkova, John Van Reenen, "Who Becomes an Inventor in America? The Importance of Exposure to Innovation", *The Quarterly Journal of Economics*, Volume 134, Issue 2, May 2019, Pages 647–713, <https://doi.org/10.1093/qje/qjy028>

33 Innovation Growth Lab. Entrepreneurship Education. <https://evidence-bites.innovationgrowthlab.org/topics/entrepreneurship-education/>

34 Matthew J. Lindquist, Joeri Sol, and Mirjam Van Praag "Why Do Entrepreneurial Parents Have Entrepreneurial Children?" *Journal of Labor Economics*, Volume 33, Number 2, April 2015. <https://doi.org/10.1086/678493>

## Challenges within the UK entrepreneurial skills support ecosystem

Young people, and the intersectional underrepresented groups such as women, ethnic minorities, and non-graduates within the age group, all face significant systemic barriers to business creation and self-employment.

Both UK-based and EU-wide data confirm that financial constraints and lack of networking opportunities are the biggest challenges for young entrepreneurs. This study's findings confirm that these are the most significant obstacles preventing young people from pursuing entrepreneurship. Providing better access to grants, mentorship, and networking opportunities is essential in supporting the next generation of business leaders.

There are systemic barriers to accessing entrepreneurial skills, networks, funding, and role models at earlier ages

Sutton Trust research shows that opportunity largely depends on where you are born in the UK,<sup>35</sup> ranking constituencies in England by the school attainment, access to higher education, employment status, and earnings of young people eligible for free school meals (FSM) at secondary school. Forty-two of the top constituencies for opportunity in the country are in London, with just eight out of the top 50 being outside of the capital. Average earnings at age 28 are almost £7,000 lower for FSM pupils from Newcastle upon Tyne Central and West (North East) compared to East Ham (London), with a 30% difference in the rates of GCSE Maths and English grade 5 attainment.

This trend is reflected in the frontier innovation economy. An analysis of a dataset of 1.2 million inventors in the USA found that a child's chance of becoming an inventor is tied to characteristics at birth, such as their race, gender, and their parents' socioeconomic class.<sup>36</sup> An inventor is someone who registers a patent on a new product with the intent of commercialisation. This suggests that systemic factors play a key role in entrepreneurship and innovation, and that ensuring equal access to entrepreneurial skills and opportunities is key to activating youth entrepreneurs.

It is clear, therefore, that emphasis on the individual characteristics of potential young entrepreneurs is insufficient if systemic factors are not addressed. Entrepreneurial education and access to business support in schools offers an important opportunity to overcome these systemic challenges and improve exposure to entrepreneurial activities. In 2004, the European Commission proposed that all EU member states introduce entrepreneurship education into the national curriculum, from primary school to university.

However, much of the UK (except for Wales and Northern Ireland) does not include entrepreneurial education into the curriculum explicitly. The All-Party Parliamentary Group (APPG) for Entrepreneurship's report on Entrepreneurship Education that highlights that there has been little Government leadership on this area in England, in stark contrast with the rest of the United Kingdom and Europe.

Young people therefore are not exposed to entrepreneurial skills explicitly in primary and secondary education. The benefits of incorporating entrepreneurial education into the curriculum can be demonstrated by the relative improvements of Wales's and Northern Ireland's TEA compared to the other Home Nations (Table 5).

35 Sutton Trust 2025. <https://www.suttontrust.com/opportunity-index-interactive-map/>

36 Alex Bell, Raj Chetty, Xavier Jaravel, Neviana Petkova, John Van Reenen, "Who Becomes an Inventor in America? The Importance of Exposure to Innovation", The Quarterly Journal of Economics, Volume 134, Issue 2, May 2019, Pages 647–713, <https://doi.org/10.1093/qje/qjy028>



	England	Wales	Scotland	Northern Ireland
Total Entrepreneurial Activity 2016-2019	8.3%	5.9%	8.4%	5.8%
Total Entrepreneurial Activity 2021-2023	13.0%	13.3%	12.3%	12.1%

Table 5 - Rate of entrepreneurial activity by devolved nation, pre & post 2020 (Source: GEM UK 2024 data)

Young people struggle to access existing entrepreneurial support outside of education

Mainstream support outside of education providers is under-used by young people. Although there are a variety of business skills training and consultancy services across the UK that young people can access, young people often do not access them.

Young people are aware of a broad range of different tools to help them find jobs. The tools with the highest awareness are job websites such as Glassdoor, Indeed and Totaljobs (79%), followed by careers advice and guidance within school or college (78%), and the Government’s ‘find a job’ website (72%). Around two-thirds of young people are also aware of the support on offer from Job Centres (68%) and at local careers fairs (66%).

By contrast, Youth Futures research<sup>37</sup> found that few young people engage with support to start or sustain self-employment, such as that provided by organisations such as The Prince’s Trust or UnLtd. Most had built their own networks, sourced their own mentors and looked for advice from the internet or social media. This had made it difficult for some of them to manage the practicalities of running a business, where information was particularly lacking or inaccessible.

Enterprise Nation research revealed that 65% of UK adults said they had not heard of any government support schemes for entrepreneurs. A mapping exercise as part of this project confirmed that initiatives targeting youth entrepreneurs are piecemeal and are not localised or tailored, and often not visible or well signposted. Primary research through stakeholder engagement also revealed that these initiatives are often not marketed effectively to young people through education channels or through external channels such as social media.

In the past, providers also often acted in competition with each other for limited funding, which reduced the effectiveness of delivery and led to the duplication of efforts. Signposting also, therefore, was an issue. Improving coordination and visibility of existing support activities for young entrepreneurs is therefore necessary to improve entrepreneurial outcomes.

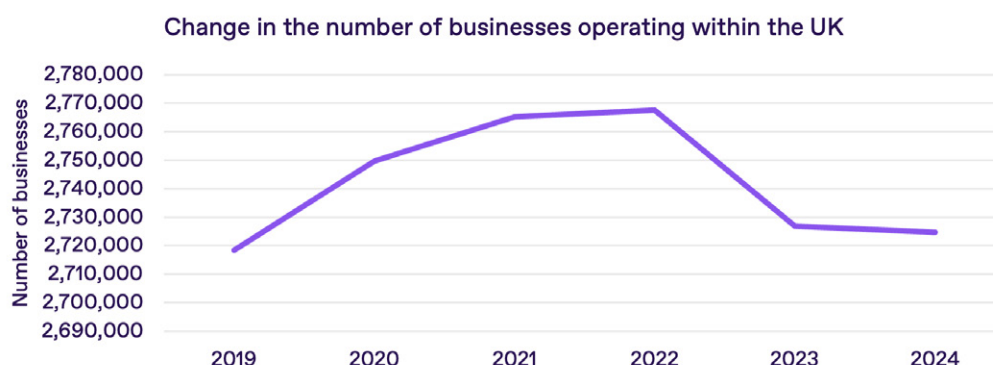
37 [Youth Futures Foundation](#)  
[‘Choosing your freedom’ Report](#)  
[\(2023\)](#)

## Growing and sustaining a business requires more accessible support

The growth in the number of VAT and/or PAYE businesses in the UK appears to be stagnating, as demonstrated in Figure 22. This implies that it is difficult to start up new businesses, or that it is becoming increasingly difficult for businesses to survive.

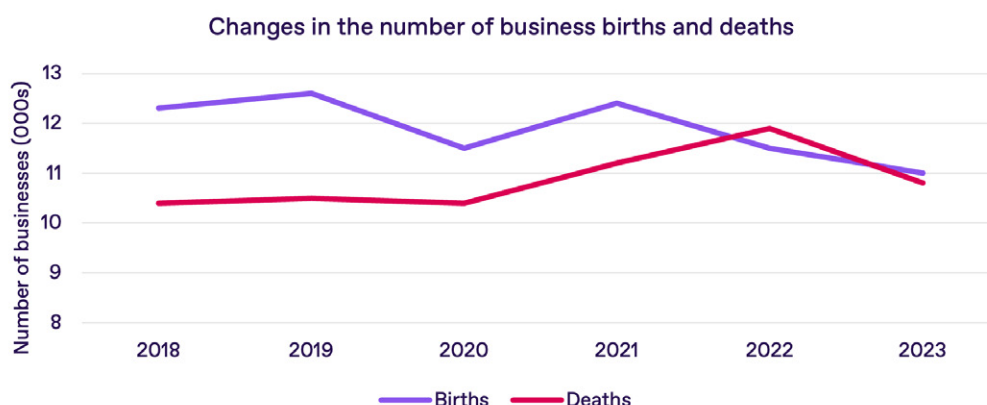
**As of March 2024, there were 2.725 million businesses in the UK, a decrease of 0.1% from March 2023. The professional, scientific, and technical industry accounted for the largest number of businesses, with 15.3% of all registered businesses in the UK, and it has been the largest broad industry group since 2013.**

Figure 22 – Number of businesses operating in the UK between 2019–2024 (Source: Inter-Departmental Business Register (IDBR), ONS, 2024)



A large part of this stagnation can be explained by business survival rates. Figure 23 demonstrates the change in the business survival rates in the UK. In 2022, business deaths exceeded the births for the first time since 2010. In 2023, there was a return to the birth rate (11.0%) exceeding the death rate (10.8%). This is mainly because the death rate decreased by more than one percentage point (11.9% to 10.8%). The birth rate, though higher than the death rate, is the lowest it has been since 2010.

Figure 23 - UK Business Births & Deaths between 2018 and 2023 (Source: Inter-Departmental Business Register (IDBR), ONS, 2024)



Around 60% of those who make it past their first year of starting a business, leave their entrepreneurial journey by their third year. It is therefore not enough to solely help new businesses start, since many new businesses do not survive into maturity. New businesses need continuing support to become established.

## Little data is collected on those who do not end the entrepreneurial journey without a businesses

There are significant gaps in data collection that need to be addressed to fully understand the challenges that entrepreneurs face in starting and growing their businesses, and what they do following failure, especially data concerning young entrepreneurs. There is little data collected on:

- The rates of people who start another entrepreneurial journey following completion of their first attempt. It is therefore difficult to estimate what percentage of entrepreneurs who “fail” then go on to set up another business. More research is required to investigate this particular aspect of the entrepreneurial journey, and data should be collected by demographic.
- The ownership demographic breakdown of the business births and deaths to understand the challenges faced by underrepresented groups such as young people, or other groups such as women, ethnic minorities, people with SEND needs, or people with lower qualification attainment.

It is important to collect this data to understand how entrepreneurs in the UK progress. It is well-known that often successful entrepreneurs have failed multiple times before they are successful, and entrepreneurial skills improve with each journey undertaken.

In Denmark, Shaw and Sorenson (2022) **show that young founders who become serial entrepreneurs see their sales revenues nearly double between their first and second firms**. This likely holds true for young UK entrepreneurs as well, but more data needs to be collected to confirm this.

04

# SUPPORTING INCLUSIVE YOUTH ENTREPRENEURSHIP

04/ SUPPORTING INCLUSIVE YOUTH ENTREPRENEURSHIP

Image: Credit/ Credit

Addressing systemic barriers and tailoring entrepreneurial skills support to diverse needs will lead to more sustainable and high-growth business creation among underrepresented young people.

## CHAPTER 4: KEY MESSAGES SUMMARY ↘

### Inclusive youth entrepreneurship unlocks untapped economic potential.

- Underrepresented young entrepreneurs face systemic barriers that limit participation and performance, leading to the UK economy missing out on £10 billion in value if young entrepreneurs in the UK participated and performed at similar rates to the USA.
- Tailored support communication and delivery methods are vital to reach diverse and underrepresented youth demographics.
- Involving target groups in the co-design of support ensures relevance, accessibility and effectiveness.

### Lessons from the UK and international practice highlight the best models.

- Evaluations show training alone is insufficient – integrated models including a holistic combination of financial and non-financial support activities are most effective.
- Grants help overcome start-up creation barriers, while loans improve long-term and sustainable business growth.

### Shared barriers across underrepresented youth groups.

- Common challenges include lack of relatable role models, networks, financial access and enterprise literacy.
- Distrust of institutions and exclusionary language alienate potential entrepreneurs.

### Demographic-specific insights reveal additional needs.

- Young women: Rapid growth in activity, but underrepresentation persists; need for visibility, mentorship, STEM training and gender-sensitive finance models.
- Ethnic minority youth: High start-up rates, but lower sustainability; support must address access to finance, sector diversity and trust-building.
- Young people with Special Educational Needs and Disabilities: Require adaptive, accessible support, trust-based policies and inclusive programme design.
- Non-university educated youth: Need for practical, hands-on support outside traditional academic settings; stronger pathways through FE and community-based training.

### Barriers must be addressed through system-level policy reform.

- Support providers must, where possible, reflect the backgrounds of the youth they serve. This includes greater representation among mentors, investors and policymakers.

# Opportunities to activate young “missing entrepreneurs” ↘

The average UK entrepreneurs in 2015 were white males, aged 42, had a master’s degree, and £20,000 in disposable income in savings.<sup>38</sup> In 2022, the average UK entrepreneurs were still white males, in their forties, who live in the South East with a degree and previous work experience in the same sector as their business, as well as around £11,000 of disposable income in personal savings and access to £6,400 as a loan or gift from parents.<sup>39</sup>

Business support in the UK was designed largely to be accessible by this group, and has been successful in lowering the financial requirements for starting a business for this group. However, the improvements in access to, and quality of, business support have not reached other groups in the UK, and hence the profile of the average entrepreneur remains as it was 10 years ago. A higher proportion of people from underrepresented groups in the UK are more likely to experience intergenerational and household poverty, and therefore cannot access the same resources.

Therefore, by expanding access to existing support activity, there is considerable scope for realising the full potential from the diversity of entrepreneurial talent within the UK, especially those from underrepresented groups. It is therefore necessary to increase access to, and to design, tailored support for these business owners who do not fit the profile of the average UK entrepreneur to set up and scale their businesses.

## A participatory approach is needed when providing entrepreneurial support for young people

A participatory approach to youth entrepreneurial skills development is needed to ensure the impact that it can have can be maximised. When designing programmes, it is important to:

- Understand that the forms of communication that resonate and reach different groups of young people is important to consider when developing entrepreneurial support.
  - For example, young men are more likely than young women to report that “to build great wealth or a very high income” as their main motivation to start a business while young women are significantly more likely to report “to earn a living because jobs are scarce” as theirs.
- Consult with the groups that are being targeted in the design of support activities. Much of the existing provision is often created with very good intent but without consultation of the local community and circumstances, which can lead to some groups being excluded.
- Combine multiple forms of support such as skills training, financial assistance and networking, because it consistently leads to better business sustainability and employment outcomes and meets a larger range of needs. Specifically, schemes that pair funding with structured mentoring and advisory services outperform those that offer financial assistance alone.

38 <https://startups.co.uk/analysis/the-average-entrepreneur/>

39 <https://www.credit-connect.co.uk/news/commercial-credit-management/average-cost-of-starting-a-new-business-is-16000/>



## Lessons from UK and International Best Practices

As part of this research study, a review of youth entrepreneurship support schemes was conducted. Lessons can be learned from previous interventions aiming to support youth entrepreneurship that can be applied in future entrepreneurial skills programmes in the UK. A list of UK and International Best Practice examples of youth entrepreneurship support schemes can be found in Appendix F.

To assess the impact of youth entrepreneurship support schemes, the OECD Missing Entrepreneurs 2023 report<sup>6</sup> reviewed over 100 evaluations of policies and programmes implemented since 2000. However, only 11 evaluations were robust enough to provide meaningful insights into their impact. This limited evidence base highlights a significant gap in rigorous assessments of youth entrepreneurial support models, raising questions about how effectively such initiatives contribute to business creation and long-term economic participation.

Each of these 11 robust evaluations measured programme success based on a set of ‘hard outcome’ metrics, which aimed to assess whether participation led to tangible improvements in employment and entrepreneurship. The key metrics used across the evaluations included:



**Business  
creation**



**Employment  
secured**



**Job  
creation**



**Entrepreneurial  
income**

Despite these assessments, there were notable gaps in evaluating long-term business sustainability. None of the programmes measured whether participants continued operating their businesses beyond 42 months, nor whether their ventures generated income or created jobs for others. This lack of longitudinal impact analysis means there is limited understanding of how effective these schemes are beyond the short term.

However, the OECD analysis of these evaluations does identify four key lessons for policymakers and programme designers.

## Four key lessons for policymakers and programme designers.

### LESSON 1

#### Participant motivations strongly predict success ↘

Individuals who already had entrepreneurial aspirations were significantly more likely to benefit from training and financial support programmes. This suggests that self-selection bias plays a role in determining success, meaning that entrepreneurial support schemes should target and nurture latent entrepreneurial potential rather than assume all participants will start businesses.

### LESSON 2

#### Training alone does not guarantee business creation ↘

While training can improve attitudes and skills, it does not always translate into actual business formation. Training should therefore be coupled with financial access, mentoring, and post-programme support to improve real-world outcomes.

### LESSON 3

#### Financial support is critical but effectiveness depends on the instrument used ↘

Financial support plays a crucial role in the success of young entrepreneurs, especially those from low-income or underrepresented backgrounds. **However, the type and structure of financial support significantly influence outcomes.** Grants have been found to be particularly effective in helping young people start businesses, as they remove initial financial barriers. However, loans and loan guarantees tend to be more effective in driving long-term business sustainability, as they encourage entrepreneurs to remain committed and put in the effort required to sustain and grow their ventures.

### LESSON 4

#### Integrated support models lead to stronger long-term success ↘

Entrepreneurial programmes that combine multiple forms of support such as skills training, financial assistance and networking, consistently lead to better business sustainability and employment outcomes. Specifically, **schemes that pair funding with structured mentoring and advisory services outperform those that offer financial assistance alone.** This highlights the importance of holistic, multi-faceted interventions over isolated, one-off initiatives in fostering lasting entrepreneurial success.

# Insights on key barriers and opportunities by demographic ↴

Participation in business innovation is influenced not only by age, but also by intersections with other categories, such as gender, ethnicity, disability and neurodiversity, and education.

## Overlapping themes for underrepresented groups

Commonalities between different underrepresented groups are often more frequent than the differences, but some key differences emerged as part of this research, in terms of perceptions, attitudes, motivations, barriers, and support needs.

The key common systemic challenges that young entrepreneurs from underrepresented groups in the UK face are described in this section, with deeper dives into themes for each of the underrepresented groups identified separately. Table 6 summarises the key common barriers, opportunities, and skills needed by young entrepreneurs from underrepresented groups.

Barriers ↴	Opportunities ↴	Support needs ↴
<ul style="list-style-type: none"> <li>→ Lack of role models, mentors and networks</li> <li>→ Skills, training, and coaching support</li> <li>→ Financial barriers and institutional distrust</li> <li>→ Exclusionary language in entrepreneurship</li> <li>→ Lack of information accessible and visible to young people about what entrepreneurship really is and how they can start a business themselves</li> <li>→ Lack of visibility of role models who have failed, and then gone onto succeed</li> </ul>	<ul style="list-style-type: none"> <li>→ Develop more sustainable and quality business support to help underrepresented groups realise their growth potential</li> <li>→ Platforms for sharing experiences and skills to foster peer encouragement and visibility</li> <li>→ Encouraging accessible and visible learning and resources that align with individual strengths and needs</li> <li>→ Accessible community-based programs offer practical skills like budgeting, marketing, and networking</li> <li>→ Gather better data on youth entrepreneurial diversity to foster evidence-based policymaking</li> </ul>	<ul style="list-style-type: none"> <li>→ Often the background of the people delivering entrepreneurial support matters as much as the method of delivery</li> <li>→ Prioritising financial literacy as a key enterprise skill, recent economic modelling commissioned by GoHenry, a financial technology company that provides financial education for children aged 6 to 18, has suggested that the UK economy could be as much as £6.98 billion richer each year if children receive adequate financial education from an early age<sup>40</sup></li> <li>→ Increasing understanding of risk management and dealing with risk</li> </ul>

40 CBI Economics 2022. <https://www.cbi.org.uk/articles/how-can-government-and-business-improve-the-uk-s-financial-literacy/>

A key challenge faced by all aspiring young entrepreneurs is access to entrepreneurial skills, and support to develop those skills. There is a lack of information accessible and visible to young people about what entrepreneurship is and the skills they need to start a business themselves.

Access to funding remains a significant hurdle, as does a lack of trust in traditional financial institutions among underrepresented groups. For example, more than 90% of all discouraged borrowers from ethnic minority backgrounds are creditworthy but have never approached a bank. This limited access to resources hinders entrepreneurial progress.

A recurring challenge is the absence of mentors and role models who reflect the backgrounds of young people, especially for ethnic minorities and women. Diverse mentorship is crucial for these young individuals to feel represented and supported.

Social connections are an important dimension of context. Knowing someone who has started a business means exposure to a role model, potential increase in motivation, encouragement of opportunity, recognition and enhancement of confidence.

The language around entrepreneurship can also be alienating. Many sub-segments of young people do not resonate with the term “entrepreneur”. For example, many women see themselves more as “freelancers” or “business owners,” which keeps them from engaging with entrepreneurial resources designed to support them.

Gender

According to the NECI, the United Kingdom does better than comparator countries with women’s relative access to entrepreneurial resources, scored by experts as good. Rose Review analysis shows that 16 to 25-year-old women founded 22 times more businesses in 2022 than in 2018. Table 7 demonstrates that the rate of entrepreneurial activity (TEA rate) amongst young women has increased rapidly since the 2020 COVID pandemic, from 4.7% between 2016 and 2019, to 11.5% between 2021 and 2023.

Table 7 - Rate of entrepreneurial activity of young men and women pre & post 2020 (Source: GEM UK data 2024)

TEA of 18-25 year olds in the UK	2016-2019	2021-2023
Male	11.5%	14.3%
Female	4.7%	11.5%

Figure 24 - Regional variation in UK young female entrepreneurs (Source: Annual Population Survey from Nomis, 2024)

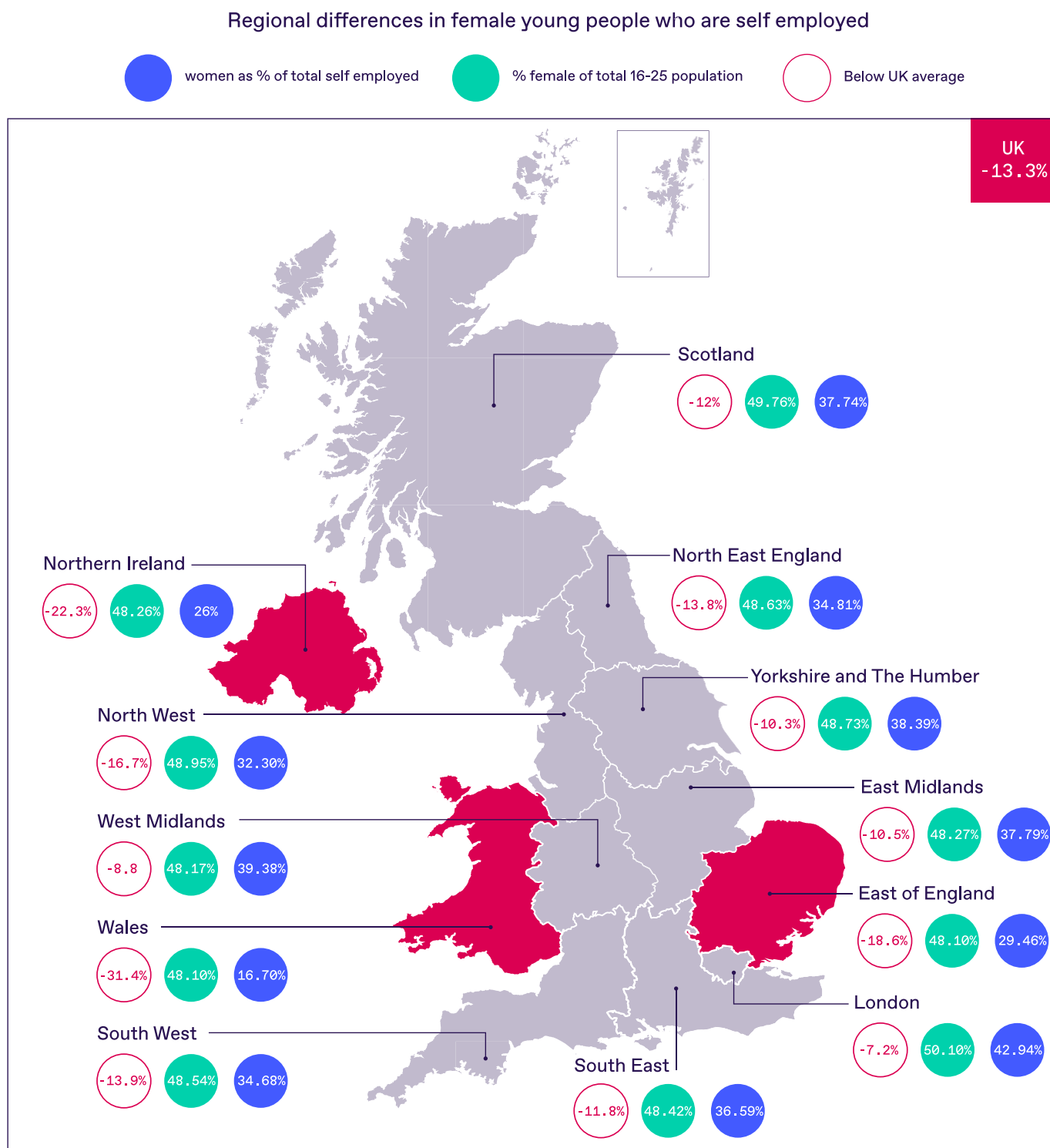


Table 8 - Key barriers, opportunities, and skills needed by young women in the UK

There are key systemic challenges faced by young female entrepreneurs in the UK. Table 8 summarises the key barriers, opportunities, and skills needed by young female entrepreneurs in the UK.

Barriers ↘	Opportunities ↘	Support needs ↘
<div><div>→ Gender stereotypes persist, particularly in male-dominated industries e.g. digital, construction, AI.</div><div>→ Young women reported not being taken seriously as entrepreneurs.</div></div>	<div><div>→ Women-specific mentorship or support programmes needed to counteract gender biases.</div><div>→ Platforms for sharing experiences and skills to foster peer encouragement and visibility</div></div>	<div><div>→ Often the background of the people delivering entrepreneurial support matters as much as the method of delivery.</div><div>→ Women in male-dominated industries noted the need for assertiveness and leadership skills to gain credibility.</div><div>→ Need for negotiation and advocacy skills to counteract biases and secure fairer opportunities for themselves.</div><div>→ Prioritising financial literacy as a key enterprise skill would be highly beneficial</div></div>

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Table 9 - Rate of entrepreneurial activity by ethnicity pre & post 2020 (Source: GEM UK data 2024)

### Ethnic minorities

It is important to tackle the multiple barriers faced by entrepreneurs from ethnic minority backgrounds, particularly in accessing finance, markets, and quality business support. Doing so could increase their GVA contribution from the current £25 billion a year to £100 billion, a 400% increase, which highlights the significant potential of entrepreneurs from ethnic minority backgrounds to the UK economy.

Table 9 demonstrates that the rate of entrepreneurial activity amongst young entrepreneurs from ethnic minority backgrounds has increased rapidly in the last decade, from 4.7% between 2016 and 2019, to 11.5% between 2021 and 2023.

TEA of 18-25 year olds in the UK	2016-2019	2021-2023
White	7.3%	12.1%
Non-White	11.9%	16.2%





However, there is still progress to be made. Despite the entrepreneurial activity of young entrepreneurs from ethnic minority backgrounds, this does not often translate into high-growth businesses.

The Time to Change report showed that although ethnic minorities in the UK are consistently more entrepreneurial than the population generally, they are less likely to operate established or mature firms that generate stable income. The contrast is noticeably stark between White and Black ethnic groups. White business owners are more likely to run established firms over 42 months old than their Black counterparts (67% and 43% respectively).

Some regions are more advanced than others within the UK in promoting entrepreneurship amongst young entrepreneurs from ethnic minority backgrounds, however they are still underrepresented across the UK.

As demonstrated in Figure 25, the only regions and countries outperforming relative to the UK average in the number of young people from ethnic minority backgrounds starting businesses are Northern Ireland, Scotland, and the North East of England. However, these regions all have relatively low numbers of people from ethnic minority backgrounds, which limits the sample size and therefore makes the numbers of entrepreneurs from ethnic minority backgrounds appear to be proportionally stronger.

Figure 25 - Regional variation in UK ethnic minority entrepreneurs (Source: Annual Population Survey from Nomis, 2024)

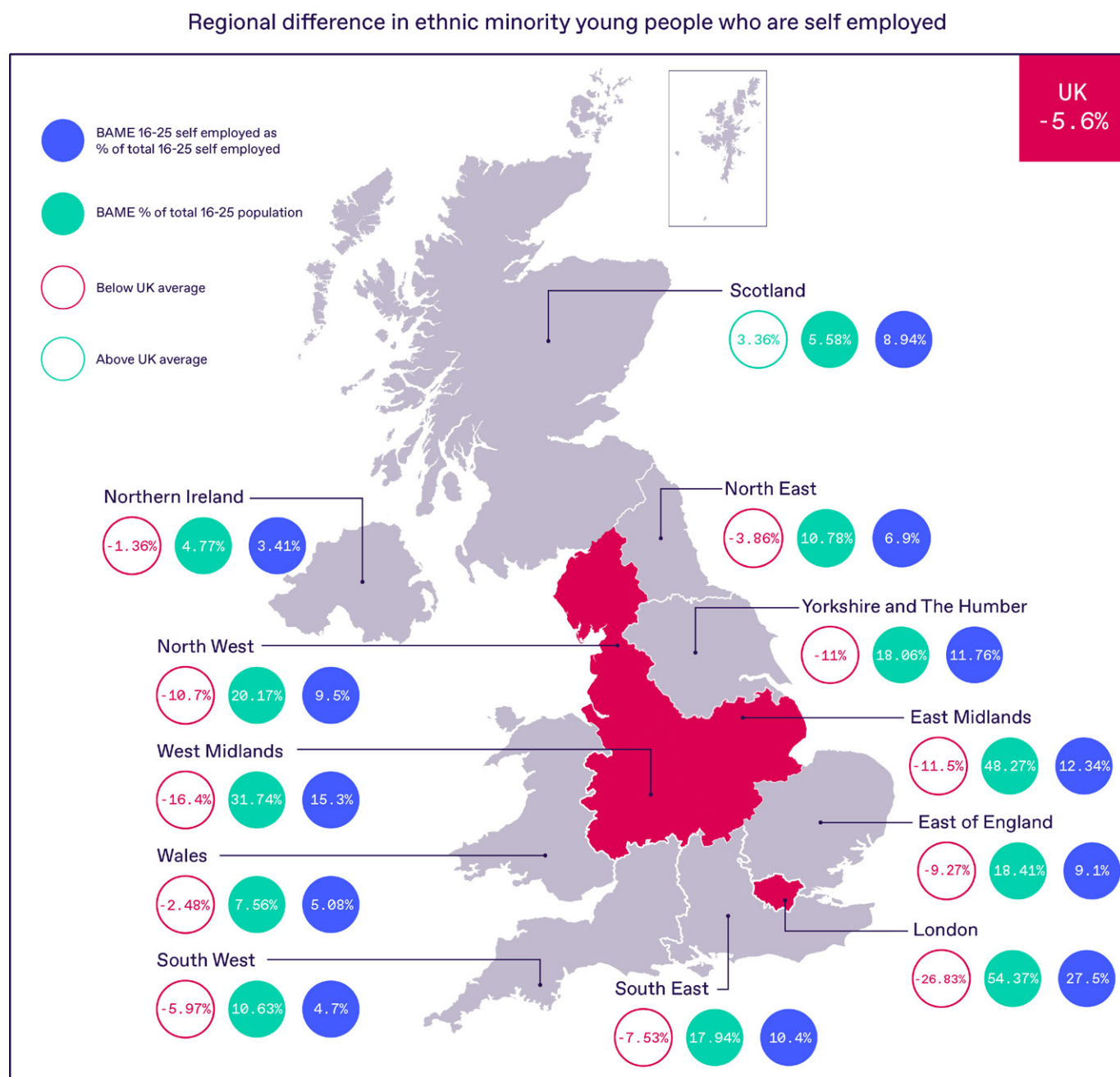


Table 10 - Key barriers, opportunities, and skills needed by young ethnic minorities in the UK

There are key systemic challenges faced by young entrepreneurs from ethnic minority backgrounds in the UK. Table 10 summarises the key barriers, opportunities, and support needed by young entrepreneurs from ethnic minority backgrounds in the UK.

Barriers ▼	Opportunities ▼	Support needs ▼
<ul style="list-style-type: none"> <li>→ Limited representation of successful entrepreneurs from similar ethnic backgrounds</li> <li>→ Financial inequalities are rooted in systemic barriers in certain ethnic groups (e.g. fewer family resources to support entrepreneurial ventures)</li> <li>→ More than 90% of all discouraged borrowers from ethnic minority backgrounds are creditworthy but have never approached a bank</li> </ul>	<ul style="list-style-type: none"> <li>→ Greater representation and visibility of ethnic minorities in entrepreneurial spaces to inspire confidence.</li> <li>→ More community-based entrepreneurial initiatives needed to gain trust and buy-in.</li> <li>→ Tackle perceptions of unequal treatment to increase entrepreneurs from ethnic minority backgrounds' engagement with bank finance</li> <li>→ Foster local networks of support through partnership working to strengthen support for Entrepreneurs from ethnic minority backgrounds</li> <li>→ Include EMB communities in the policy formulation process to enhance the relevance of support</li> </ul>	<ul style="list-style-type: none"> <li>→ Often the background of the people delivering entrepreneurial support matters as much as the method of delivery</li> <li>→ Learning from mentors or examples with shared ethnic backgrounds is critical to skill adoption, confidence and ability to pass on that knowledge into wider community</li> <li>→ Need for skills for building networks within and outside their communities</li> </ul>





## People with Special Educational Needs and Disabilities (SEND)

Estimates suggest that improving opportunity for Disabled founders could unlock an additional £230 billion for the UK economy. **Disabled entrepreneurs currently account for approximately 25% of the nation's 5.5 million small businesses, but only 8.6% of total small business turnover. Four fifths feel they have unequal access to opportunities and resources.**

Some regions are more advanced than others within the UK in promoting entrepreneurship amongst young entrepreneurs with SEND, however they are still underrepresented across the UK. As demonstrated in Figure 26, the only regions and countries outperforming relative to the UK average in the number of young people with SEND starting businesses are Northern Ireland, Scotland, London, and the West Midlands. However, no region has equal representation of young people with SEND needs when compared to their percentage of the total youth population.

Some regions are more advanced than others within the UK in promoting entrepreneurship amongst young entrepreneurs with SEND, however they are still underrepresented across the UK. As demonstrated in Figure 26, the only regions and countries outperforming relative to the UK average in the number of young people with SEND starting businesses are Northern Ireland, Scotland, London, and the West Midlands. However, no region has equal representation of young people with SEND needs when compared to their percentage of the total youth population.

Figure 26 - Regional variation in UK young disabled entrepreneurs (Source: Annual Population Survey from Nomis, 2024)

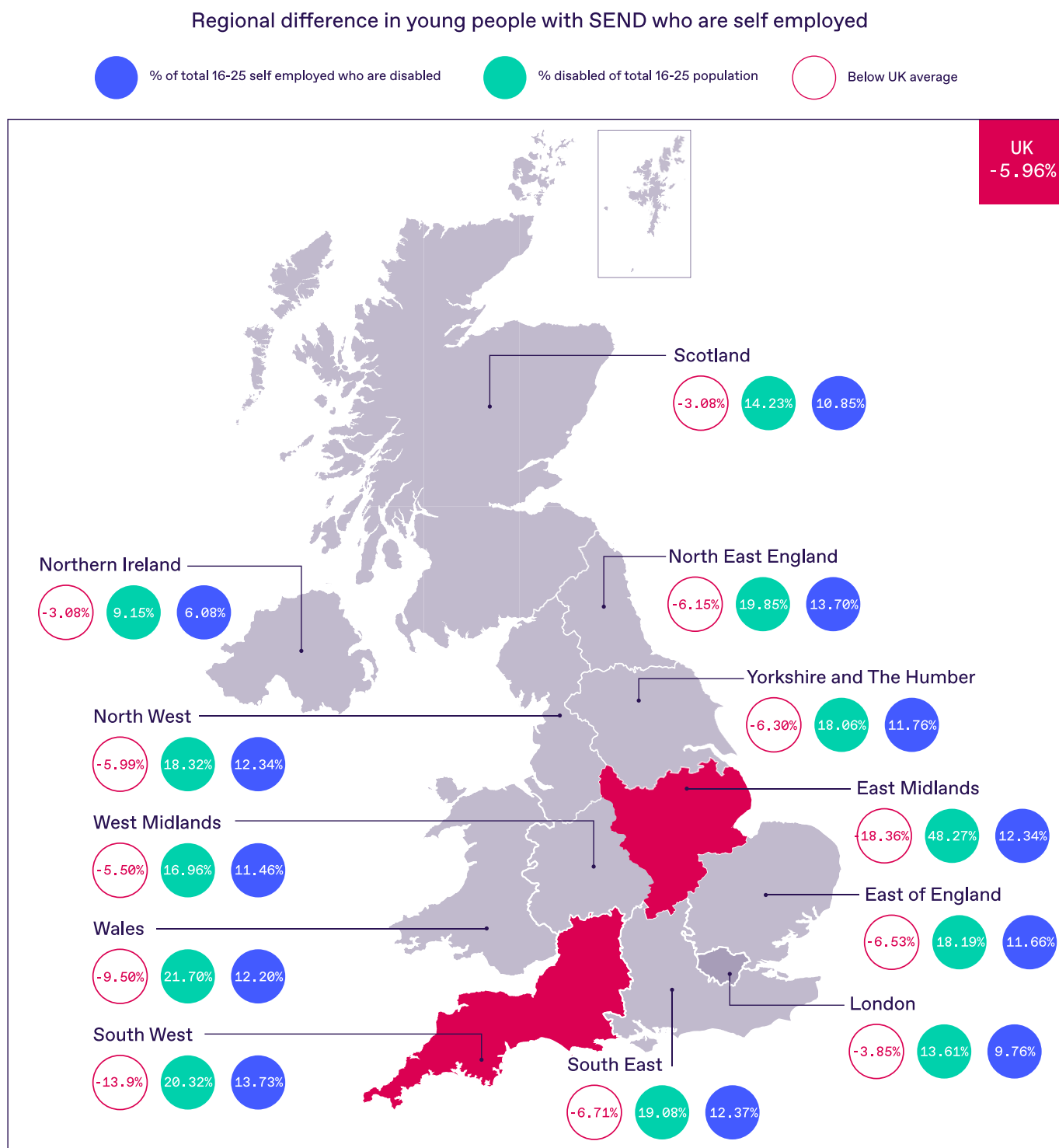


Table 11 - Key barriers, opportunities, and skills needed by young people with SEND needs in the UK

There are key systemic challenges young entrepreneurs with SEND face in the UK. Table 11 summarises the key barriers, opportunities, and support needs for young entrepreneurs with SEND in the UK.

Barriers ▾	Opportunities ▾	Support needs ▾
<ul style="list-style-type: none"> <li>→ Exclusion from entrepreneurial education in schools due to lack of accessible resources</li> <li>→ Complex requirements and access to Government programmes and support</li> <li>→ Burden on Disabled entrepreneurs is the requirement to repeatedly prove that they are Disabled or “Disabled enough” to get support</li> <li>→ Accessibility issues are not simply whether something is readable. Chronic fatigue, visual impairment, fatigue from long term illness or medication, neurodiversity and many more factors may make these gateways to support impossible to overcome</li> <li>→ Challenges balancing entrepreneurship with physical/ mental fatigue, especially in rigid work environments</li> </ul>	<ul style="list-style-type: none"> <li>→ Tailored entrepreneurial resources that address specific needs (e.g., time flexibility, mental health support)</li> <li>→ Encouraging self-paced learning and resources that align with individual strengths and needs</li> <li>→ Up to the point of (and excluding) eligibility for benefits, a move across Government to a trust-based approach to assessing disability rather than a proof-based approach</li> <li>→ Including Disabled founders in the creation process, and starting with accessibility early, will ensure more appropriate solutions are developed, which will save time and money trying to retrofit them later</li> </ul>	<ul style="list-style-type: none"> <li>→ Often the background of the people delivering entrepreneurial support matters as much as the method of delivery</li> <li>→ There is a need for mentoring, specifically designed for Disabled entrepreneurs</li> <li>→ Skills in managing workload efficiently while considering physical and mental health constraints</li> <li>→ Accessible and adaptable learning tools needed to acquire technical skills (e.g., simplified processes or alternative methods for managing finances and communication)</li> </ul>

## People from non-university educated backgrounds

Although entrepreneurship can offer an alternative route to high earnings, access to networks, funding and business knowledge is often easier for university-educated individuals. In the United States, there is a notable graduate premium associated with entrepreneurship. Entrepreneurs holding a degree earn, on average, \$100,000 (approximately £79,000) more annually than those without.<sup>41</sup> This disparity more than doubles at higher income levels and varies across sectors.

While direct UK data on the graduate premium in entrepreneurship is limited, similar patterns are emerging.

41 Schivardi, Fabiano & Michelacci, Claudio, 2017. “Are They All Like Bill, Mark, and Steve? The Education Premium for Entrepreneurs,” CEPR Discussion Papers 12312, C.E.P.R. Discussion Papers.





42 [GoDaddy Venture Forward Report: United Kingdom \(2024\)](#)

Research found that one in five UK entrepreneurs without a degree still earns over £100,000 a year<sup>42</sup>. This suggests that, although a degree may offer advantages, it is not the sole determinant of entrepreneurial success. Having said that, non-university educated entrepreneur success stories are the exception rather than the norm. Entrepreneurship remains less accessible for many young people without a higher education background, and those from disadvantaged backgrounds are underrepresented in the startup ecosystem.

Table 12 demonstrates that the rate of entrepreneurial activity amongst young people coming from non-university educated backgrounds has increased in the last decade, especially amongst those leaving after completing school, from 4.5% between 2016 and 2019, to 11.3% between 2021 and 2023.

However, overall, the entrepreneurial activity of young people coming from university educated backgrounds has increased at a faster rate and is higher than that of young people coming from all non-university educated backgrounds, and the total UK average.

Table 12 - Rate of entrepreneurial activity by educational level pre & post 2020 (Source: GEM UK data 2024)

TEA of 18-25 year olds in the UK	2016-2019	2021-2023
Vocational/Other/No formal qualifications	10.8%	12.8%
GCSE or equivalent	4.5%	11.3%
A level or equivalent	8.8%	11,7%
Bachelors degree or above	8.1%	14.9%

Figure 27 - Regional variation in UK young non-university educated entrepreneurs (Source: Annual Population Survey from Nomis, 2024)

Some regions are more advanced than others within the UK in promoting entrepreneurship amongst young people from non-university educated backgrounds, however they are still underrepresented across the UK. As demonstrated in Figure 27, the North West, South West, North East, and London are the worst performing regions relative to the UK average in the number of young people without degrees starting businesses.

### Regional differences in non-university educated young people who are self employed

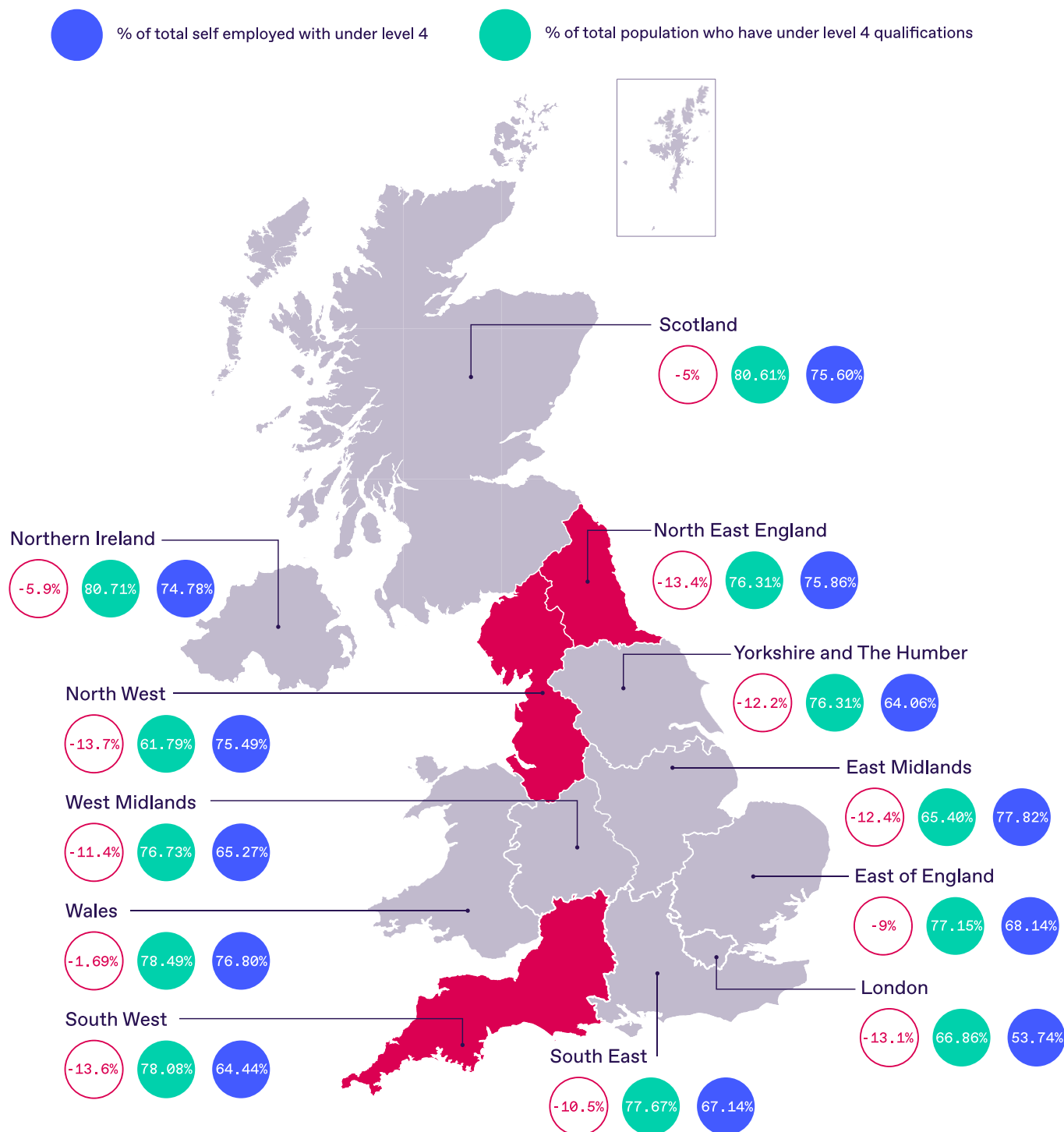


Table 13 - Key barriers, opportunities, and skills needed by non-university educated young people in the UK

There are key systemic challenges young entrepreneurs coming from non-university educated backgrounds face in the UK. Table 13 summarises the key barriers, opportunities, and skills needed by young entrepreneurs coming from non-university educated backgrounds in the UK.

Barriers ↘	Opportunities ↘	Support needs ↘
<ul style="list-style-type: none"><li>→ Limited access to entrepreneurial education or mentorship outside formal university settings</li><li>→ Perception that entrepreneurship is for those with more formal qualifications</li></ul>	<ul style="list-style-type: none"><li>→ Accessible community-based programmes offering practical skills like budgeting, marketing, and networking</li><li>→ Online courses and certification programmes to bridge perceived knowledge gaps</li></ul>	<ul style="list-style-type: none"><li>→ Often the background of the people delivering entrepreneurial support matters as much as the method of delivery</li><li>→ Strong preference for practical and hands-on application of skills like product development, making, marketing and logistics over theoretical concepts</li><li>→ Skills to access and navigate free or low-cost online resources to bridge educational gaps</li></ul>

# Potential support for young entrepreneurs from underrepresented groups ↴

Research from this study has identified multiple effective best practice support mechanisms for young entrepreneurs, especially for those from underrepresented groups. An overview of potential support mechanisms can be found in Table 14.

The effectiveness of different potential support mechanisms in supporting each of the underrepresented groups is explored in greater detail in Appendix F. Case studies for these best practices are detailed in Appendix G.

Support ↴	How? ↴	Benefits ↴	Limitations ↴
Short-term workshops and bootcamps	<ul style="list-style-type: none"><li>→ Focused, experiential learning sessions that are relevant and engaging for young people and tailored to their specific needs</li><li>→ Delivered by experienced yet relatable professionals, offering participants expert training and advice</li></ul>	<ul style="list-style-type: none"><li>→ Helps participants to build awareness and confidence in essential skills to take the first steps in entrepreneurship</li><li>→ Early exposure/access to peer networks and potential mentors</li></ul>	<ul style="list-style-type: none"><li>→ Without ongoing support or follow-up, participants may struggle to retain and apply the skills after the bootcamp concludes</li><li>→ Will not overcome deeper systemic barriers, such as finance</li></ul>
Longer-term start-up academy	<ul style="list-style-type: none"><li>→ Offers sustained learning and practical application of entrepreneurial concepts, building skills and putting these into action</li><li>→ Delivered by both start-up training experts and relatable mentors, incorporating one-on-one support and group collaboration</li></ul>	<ul style="list-style-type: none"><li>→ Builds skills, confidence, and practical understanding of entrepreneurship to start a business.</li><li>→ Encourages relationship-building with mentors, investors and peers - fostering new professional networks.</li></ul>	<ul style="list-style-type: none"><li>→ Expensive and requires significant time commitment from participants, training providers, mentors and investors to sustain.</li><li>→ Without ongoing support or follow-up, participants may struggle to sustain business beyond the academy programme</li></ul>
Tailored business support	<ul style="list-style-type: none"><li>→ Organise one-on-one consultations with experienced start-up advisers, either in person or online, focused on tailored, practical guidance relevant to the specific needs of participants.</li><li>→ Longer-term support beyond completion of business consultancy provision.</li></ul>	<ul style="list-style-type: none"><li>→ Addresses specific operational barriers and provides clarity for complex issues for young people.</li><li>→ Builds participants' confidence and long-term capability to start, manage and scale their businesses.</li></ul>	<ul style="list-style-type: none"><li>→ Resource-intensive to offer high-quality consultancy at scale.</li><li>→ Impact may depend on the availability and expertise of advisor.</li></ul>
Start-up incubators and accelerators	<ul style="list-style-type: none"><li>→ Tailored programmes focusing on early-stage (incubators) or growth-stage (accelerators) businesses.</li><li>→ Connect participants with mentors, funding opportunities, and district networks.</li></ul>	<ul style="list-style-type: none"><li>→ Intensive support can drive high-potential ventures to success.</li><li>→ Integrates participants into the broader entrepreneurial ecosystem.</li></ul>	<ul style="list-style-type: none"><li>→ High resource demand to deliver quality programmes.</li><li>→ Competitive selection processes may exclude some participants.</li></ul>
Peer support groups	<ul style="list-style-type: none"><li>→ Facilitated group discussions, focusing on shared learning, mutual encouragement, and problem-solving.</li><li>→ Delivered through regular in-person or virtual meet-ups with a representative role-model facilitating.</li></ul>	<ul style="list-style-type: none"><li>→ Reduces feelings of isolation and builds a sense of belonging.</li><li>→ Encourages collaborative learning and emotional support among participants.</li></ul>	<ul style="list-style-type: none"><li>→ Requires skilled facilitators with shared lived-experience to address potential conflicts or ensure inclusivity.</li><li>→ Impact depends on group dynamics and ability to self-manage key aspects to ensure sustained engagement.</li></ul>

Support ↘	How? ↘	Benefits ↘	Limitations ↘
Traditional financial support	<div>→ Establish clear and inclusive eligibility criteria to ensure fair and equitable distribution of funds.</div> <div>→ Offer tailored financial literacy support to support participants effectively manage funds.</div>	<div>→ Directly addresses financial barriers to entrepreneurship.</div> <div>→ Provides tangible support for participants to develop and scale their ventures.</div>	<div>→ Requires significant funding and ongoing resource allocation.</div> <div>→ Grants lowers perceived risk for business creation but does not sustain businesses.</div> <div>→ Loans ensure more commitment and disciplined financial planning. However, introduces the risk of debt, which may discourage young entrepreneurs.</div>
Community-based microfinancing	<div>→ Partner with community organisations and groups to facilitate access and encourage participation.</div> <div>→ Connect investors to local communities via an intermediary microfinance organisation</div>	<div>→ Accessible lending terms supports young entrepreneurs with limited resources or credit histories.</div> <div>→ People from underrepresented groups tend to rely on informal networks and their community for support, and therefore may be more likely to access financial support through this mechanism</div> <div>→ Promotes economic growth within the local community by fostering a community spirit.</div>	<div>→ Microfinance typically offers smaller loan amounts, which may not be sufficient for scaling larger or more complex businesses, and is dependent on community buy-in and resources.</div>
Mentoring programme by relatable role model	<div>→ Connect participants with mentors who have successfully navigated similar challenges and contexts.</div> <div>→ Provide space and opportunity for regular one-on-one mentoring sessions, as well as opportunities for informal check-ins and guidance.</div>	<div>→ Offers relatable and practical advice from mentors who understand participants’ unique challenges and opportunities.</div> <div>→ Builds participants’ confidence and resilience by showing achievable success paths.</div> <div>→ Fosters long-term professional relationship</div>	<div>→ Difficult to recruit and retain high-quality mentors who align with the lived experiences of participants.</div> <div>→ Mentoring relationships may vary in effectiveness depending on compatibility and commitment of all parties.</div>
Youth & community outreach	<div>→ Deliver talks or events designed to introduce entrepreneurship as a viable career path, within local communities.</div> <div>→ Partner with educational institutions and community organisations to identify and support young talent.</div>	<div>→ Inspires young people and builds early awareness innovation districts and entrepreneurial opportunities they provide.</div> <div>→ Establishes trust and partnerships between innovation districts with local communities, increasing accessibility.</div>	<div>→ Long-term impact may take time to materialise as relationship and trust is built.</div> <div>→ Requires significant outreach efforts and strong partnerships with community leaders for sustained success.</div>
Entrepreneurship in education	<div>→ Help co-develop tailored A-levels, BTECs, HNCs, and T Level curricula and materials that integrate entrepreneurial skills.</div> <div>→ Help co-develop tailored materials for non-business Bachelor’s degree courses that integrate entrepreneurial skills.</div> <div>→ Train and provide resources to educators on effective methods to teach entrepreneurial concepts and skills.</div>	<div>→ Embeds entrepreneurial thinking and skills as a long-term ambition and capability among non-university educated students.</div> <div>→ Embeds entrepreneurial thinking and skills as a long-term ambition and capability among undergraduate students.</div> <div>→ Reaches a broader audience of young people through established educational channels.</div>	<div>→ Dependent on local FE/HE providers’ buy-in and resources.</div> <div>→ May lack the flexibility to address immediate needs or challenges of aspiring entrepreneurs.</div> <div>→ Events such as competitions can be detrimental to improving overall entrepreneurial activity as they can be demotivating, diminish competency, dent self-confidence, and be demoralising for some participants, especially those from underrepresented groups.<sup>43</sup></div>

43 Brentnall, C., Diego-Rodriguez, I., Culkin, N. (2018) ‘Enterprise Education Competitions: A Theoretically Flawed Intervention?.’ Creating Entrepreneurial Space Talking Through Multi-Voices, Reflections on Emerging Debates. Emerald Group Publishing,



Support ↴	How? ↴	Benefits ↴	Limitations ↴
Social media engagement	<div>→ Create engaging content highlighting district events, resources and opportunities through non-business social media e.g. Instagram, TikTok.</div> <div>→ Leverage social media analytics to tailor content to specific audiences.</div>	<div>→ Reach and engage target audience through online channels that young people use.</div> <div>→ Raise awareness of skills support available, whilst promoting inclusivity and accessibility.</div>	<div>→ Success depends on consistent, high-quality content, and active engagement.</div>
Signposting and convening support	<div>→ Offer a one-stop-shop for aspiring entrepreneurs to access support, resources, and signposting to places to access them.</div> <div>→ Development of a voluntary network of engaged individuals and organisations within the existing business support eco-system to reduce duplication and improve access.</div>	<div>→ Reach and engage target audience through online channels that young people use.</div> <div>→ Organise regional events to foster engagement with a diverse range of stakeholders, and to enable collaboration.</div>	<div>→ Success depends on willingness of local business support eco-system actors to participate, and a convening body.</div>
Affordable workspaces with IT	<div>→ Offer free space for underrepresented entrepreneurs to work from.</div> <div>→ Creates a collaborative, inclusive environment that fosters networking and idea-sharing amongst peers.</div>	<div>→ Reduces overhead costs for entrepreneurs and provides professional-grade facilities.</div> <div>→ Encourages collaboration and interaction with other innovators.</div> <div>→ Avoids digital exclusion</div>	<div>→ Upfront and ongoing operational costs for maintaining the space.</div> <div>→ Requires active community engagement to ensure optimal use</div>
Maker spaces & labs	<div>→ Offer access to specialised equipment and technical training for participants.</div> <div>→ Encourage hands-on learning and rapid prototyping for product development and testing.</div>	<div>→ Accelerates product development and builds participants’ technical skills.</div> <div>→ Enables creation of prototypes to test business idea</div>	<div>→ High initial investment in equipment and facilities, plus its maintenance.</div> <div>→ Will require good-level of technical skill competency to use facilities.</div>
Event spaces	<div>→ Offer flexible and different sized spaces that can accommodate a range of entrepreneurial skills events tailored to underrepresented groups.</div> <div>→ Partner with local organisations to co-host events and ensure relevance.</div>	<div>→ Builds community engagement and visibility for participants.</div> <div>→ Encourages collaboration and networking in a dynamic environment.</div>	<div>→ Requires consistent and continuous programming of relevant events to maximise impact.</div> <div>→ Costs for hiring event and providing catering can be significant</div>
Networking events	<div>→ Events focus on facilitating meaningful conversations and connections through moderated sessions or free-form networking.</div> <div>→ Delivered with a focus on inclusivity and relevance to the specific needs of underrepresented groups.</div>	<div>→ Improves participants communication skills and professional networks, opening access to mentors and collaborators.</div> <div>→ Provides visibility for participants’ ideas and ventures in a supportive environment.</div>	<div>→ Requires strong event planning and facilitation to ensure valuable interactions for all participants.</div> <div>→ Connections formed may require follow-up support to translate into tangible collaborations and opportunities.</div>



05

# STAKEHOLDER AND YOUTH ACTION RESEARCH GROUP FINDINGS

05/ STAKEHOLDER AND YOUTH ACTION RESEARCH GROUP FINDINGS

Breaking down systemic barriers to unlock the opportunities of youth entrepreneurship requires more accessible, relatable and tailored support from innovation districts.

## CHAPTER 5: KEY MESSAGES SUMMARY ↘

Insights from stakeholders and youth action research uncover systemic challenges, identify practical opportunities and amplify youth voices for inclusive entrepreneurship.

### Challenges to inclusive youth entrepreneurship.

- Low awareness of available support already available to young entrepreneurs.
- Lack of relatable role models and mentors, especially for women, ethnic minorities and young people from low-income backgrounds.
- Youth face significant difficulties accessing finance.
- Most current support programmes are short-term and not designed for sustained business growth.
- Innovation Districts are perceived as exclusive, intimidating spaces for many young people, especially those from non-university backgrounds.

### Opportunities identified for better support and access.

- Embedding entrepreneurship earlier in education can normalise it as a career path.
- Community-based delivery models through youth organisations and trusted networks can improve reach.
- A single point of entry to tailored support could better serve diverse young people.
- Longer-term support models can help identify and scale high-potential youth-led ventures.

### Additional Youth Action Research Panel Insights.

- Top motivators for becoming an entrepreneur are independence, flexibility, pursuing passions – and, notably, wealth generation.
- Entrepreneurial skills where young people are least confident are “Coping with uncertainty and risk”, “Mobilising resources”, “Mobilising others” and “Financial and economic literacy”.
- Young people do not seek start-up advice from online platforms typically used to promote entrepreneurial skills support.
- 54% of young people willing to travel 10–20 miles for in-person support.
- 42% prefer hybrid delivery models (online + in-person); 15% want evening/weekend options.
- A participatory and inclusive approach to youth entrepreneurial support design boosts motivation, even at the earliest stages. 50% sought further entrepreneurial skills support after taking part in the study’s research panel.

# Insights from Innovation Districts and enabling stakeholders ↘

This study explored how to support youth entrepreneurial skills within the UK innovation economy. To do this, in-depth one-to-one interviews were carried out with a wide range of key stakeholders, representing organisations across the public, private and third sectors (Appendix B).

The composition of stakeholders engaged included the Innovation Districts, regional anchor institutions, policymakers, education providers, industry bodies and entrepreneurial support organisations and those with direct experience of starting an enterprise – both within the UK and internationally. These conversations shed light on the existing entrepreneurial skills landscape, the key enablers and barriers to youth entrepreneurship and the role of place-based leadership in fostering inclusive economic opportunities.

The study also engaged with organisations working specifically to support underrepresented groups in entrepreneurship, ensuring that the findings reflect a broad and inclusive perspective on how to unlock the potential of young entrepreneurs across different backgrounds and circumstances.

To further strengthen the study's findings, a steering group of entrepreneurial skills experts was convened. This group provided expert guidance throughout the study, helping shape the direction and informing its recommendations. Their contributions ensured that the study remained aligned with the latest research, policy developments and best practices in entrepreneurship and skills development.

Through engagement with the above enabling stakeholders, this study has identified systemic barriers and opportunities that influence youth entrepreneurial skills development and updated our understanding of the practical interventions needed to create a more inclusive and effective entrepreneurial ecosystem. These findings were a critical part in shaping the design of a pilot intervention, ensuring that any proposed initiatives directly address the most pressing challenges while capitalising on emerging opportunities to foster youth entrepreneurship.

## Challenges ▾

Despite strong interest among young people in pursuing alternative career paths, including self-employment and business creation, multiple barriers continue to limit access to entrepreneurial skills development. The study has identified the following key challenges:

### CHALLENGE 1 ▾

#### Lack of relatable role models, mentors and networks

One of the most commonly cited barriers from previous research is the lack of diverse, relatable role models, and mentors for young entrepreneurs. This issue is particularly acute for women, ethnic minorities and those from low-income backgrounds. Many young people do not personally know entrepreneurs or business owners, making the path to self-employment seem unrealistic or unattainable.

Interviewees emphasised that entrepreneurship is not just about learning technical business skills, but also about confidence, curiosity and the ability to learn from mistakes. Without visible, relatable mentors, young people struggle to develop this mindset. Some suggested that a stronger presence for entrepreneurial skills providers and mentors from diverse backgrounds could help address this gap.

“You need to see it to believe it. If you’ve never met a business owner or someone who looks like you running their own company, how can you imagine doing it yourself?”

### CHALLENGE 2 ▾

#### Financial barriers and lack of accessible funding

Young people face significant difficulties accessing finance to start and sustain businesses. This issue is particularly pronounced among those from underrepresented groups, who may have limited access to personal financial resources or distrust in traditional financial institutions.

While some young entrepreneurs have successfully leveraged social media and digital platforms to grow businesses with minimal startup costs, these cases remain exceptions rather than the norm. Many require funding for training, workspace, materials, equipment and initial investments, yet mainstream funding models are not designed for young people with limited financial histories.

The removal of previous government-backed schemes, such as the New Enterprise Allowance, has left a gap in targeted support for young people seeking self-employment. Some interviewees noted that a one-stop-shop model for funding guidance, similar to past initiatives from The King’s Trust, could help prevent young entrepreneurs from being left without clear pathways to financial support.

### CHALLENGE 3 ↘

#### Exclusionary language and framing of entrepreneurship

The terminology used in entrepreneurship education and business support programmes is often alienating for young people. Many do not identify with the term “entrepreneur”, preferring descriptors such as “freelancer”, “self-employed”, or “business owner”.

This issue is particularly relevant for women, who are less likely to use entrepreneurial language to describe their ambitions, despite engaging in business-related activities. Stakeholders suggested that reframing entrepreneurship as a broad skillset applicable to different careers, rather than a rigid pathway, could help increase engagement and uptake.

### CHALLENGE 4 ↘

#### Intimidating and exclusive innovation spaces

While Innovation Districts have the infrastructure to support business creation, they are often perceived as exclusive spaces, inaccessible to young people. In particular, those from underrepresented, disadvantaged or lower educated backgrounds. Many interviewees noted that young people often feel like outsiders in these environments, reinforcing barriers to engagement and participation.

**"For young people who have never been in these kinds of spaces before, they can feel like they're not meant to be there. That's a huge barrier to entry."**

Stakeholders suggested that place-based interventions should focus on making these spaces more open, inviting, and community-led. This could involve hosting youth-focused networking events, outreach programmes, and partnerships with local grassroots organisations.

## Opportunities ↴

While systemic barriers persist, key opportunities were identified to create a more effective and inclusive entrepreneurial skills development ecosystem. Emphasis should shift from focusing on individual outcomes, and instead to focus on tackling these persistent systemic barriers. These insights directly informed the design of potential pilot interventions, discussed later in this report.

### OPPORTUNITY 1 ↴

#### Providing earlier exposure to entrepreneurship

Many stakeholders emphasised the need for embedding entrepreneurship in education systems much earlier. Currently, exposure to entrepreneurial skills is inconsistent and fragmented across schools, colleges, and universities. Ensuring that more young people develop foundational entrepreneurial skills before leaving education would help normalise entrepreneurship as a viable career path.

### OPPORTUNITY 2 ↴

#### Community-based support models

Rather than expecting young people to actively seek out business support, stakeholders suggested bringing entrepreneurial skills development directly into community spaces. This could involve partnerships with local education providers, youth organisations, community leaders and trusted mentors to create more familiar and less intimidating entry points into entrepreneurship.

### OPPORTUNITY 3 ↴

#### Flexible, needs-based programme design

Many existing entrepreneurship support programmes operate on a one-size-fits-all model, which does not cater to the specific needs of different groups. The steering group reinforced the importance of specialist, tailored support, particularly for women, ethnic minority entrepreneurs, and those from lower socioeconomic backgrounds. Creating a "catch-all" entry point that then signposts young people to tailored support services was identified as a promising approach.

### OPPORTUNITY 4 ↴

#### Long-term support to identify and grow high-potential ventures

Stakeholders noted that many current entrepreneurship programmes are short-term, making it difficult to provide sustained support or track the development of young enterprises over time. Longer-term, multi-stage programmes would allow providers to identify ventures with the highest-growth potential, and provide further mentorship, financial support, and technical assistance needed to help them scale.

Such models could include phased interventions with check-ins at key milestones (e.g. 6, 12, 18 months) and adaptable support pathways, increasing the likelihood of spotting and investing in youth-led businesses capable of contributing meaningfully to the innovation economy. Sustained engagement is particularly important for founders from underrepresented backgrounds, who may take longer to build confidence, networks and capacity due to systemic barriers.

# Youth Action Research Group insights ↘

To ensure that the study was informed by the lived experiences of young people, a Youth Action Research Group Panel of 16–25-year-olds was recruited. This panel consisted of 28 young people from diverse backgrounds across all four devolved nations, all of whom expressed a preference for self-employment. The panel was also carefully recruited to ensure a balanced and inclusive representation of young people (see Appendix C).

In line with best practice for participatory research involving young people, panel members were fairly remunerated for their time and contributions. This approach reflects guidance from the Youth Futures Foundation<sup>44</sup>, which identifies incentives and recognition as key elements of ethical and effective youth participatory research

The purpose of engaging this group was to gain deeper insights into young people's general attitudes, aspirations, needs and barriers in relation to developing entrepreneurial skills, whilst exploring more specific factors applicable to individual underrepresented groups.

The panel took part in two dedicated workshop sessions, held online, where participants shared their experiences, challenges and motivations for pursuing entrepreneurship. These sessions enabled an in-depth exploration of the factors influencing young people's ability to develop entrepreneurial skills and access opportunities in the innovation economy.

**Geography, Education Level and Age:** The group achieved a relatively even split across these key demographic factors, ensuring that insights were not overly weighted toward a particular region, educational background or age group.

**Diversity and Inclusion:** A deliberate over-representation of underrepresented groups was built into the recruitment process, including ethnic minorities, women and those who identify as neurodivergent or having a disability. This enabled the study to conduct dedicated focus groups exploring the specific needs and challenges faced by these groups in accessing entrepreneurial opportunities.

This curated approach the panel's recruitment aligns with the UK Government's National Youth Strategy, which emphasises the importance of involving young people in shaping policies that impact their futures. By embedding youth voices at the core of this study, the research directly contributes to this national effort, ensuring that the perspectives of aspiring young entrepreneurs from underrepresented backgrounds are reflected in the development of entrepreneurial support interventions.

The following insights from the youth panel illustrate the systemic challenges that young entrepreneurs face, as well as the opportunities to create a more inclusive and supportive entrepreneurial ecosystem.

<sup>44</sup> [The Centre for Evidence and Implementation: Youth Participatory Research \(2024\)](#)



## Panel Insight #1 ↘

### Four key motivators driving young people towards entrepreneurship

The Youth Action Research Group Panel reinforced findings from previous desk research, highlighting the top three most-documented motivations for young people wanting to become self-employed were:

#### Independence, Control and Freedom

The ability to be their own boss, manage their own time, and take ownership of their career decisions was a dominant motivator. Participants expressed a strong desire for autonomy over their work, income, and lifestyle.

"I get to be my own boss and have the autonomy to work as much as I want, whenever I want."

#### Flexibility and Work-Life Balance

Many young people saw self-employment as a means of choosing when and where they work, creating a better work-life balance that suited their personal needs and aspirations.

"Self-employment is flexible for me and allows me to live my life how I want to."

#### Pursuing Passion and Creativity

Entrepreneurship was viewed as a pathway to doing something they truly enjoy and that aligns with their personal interests. Creative freedom was particularly important for those in artistic and innovative fields.

"It would allow me to follow a passion that I truly want to do."

However, our panel also placed a greater emphasis on a fourth key motivator than previous studies had suggested.



#### Wealth Generation and Financial Independence

Many young people viewed entrepreneurship as a means to increase earnings, retain more of their income, and achieve financial freedom. This suggests that financial independence is a secondary factor for young entrepreneurs.

"No limit on my income."

"I get to keep more money rather than giving my money to someone else!"

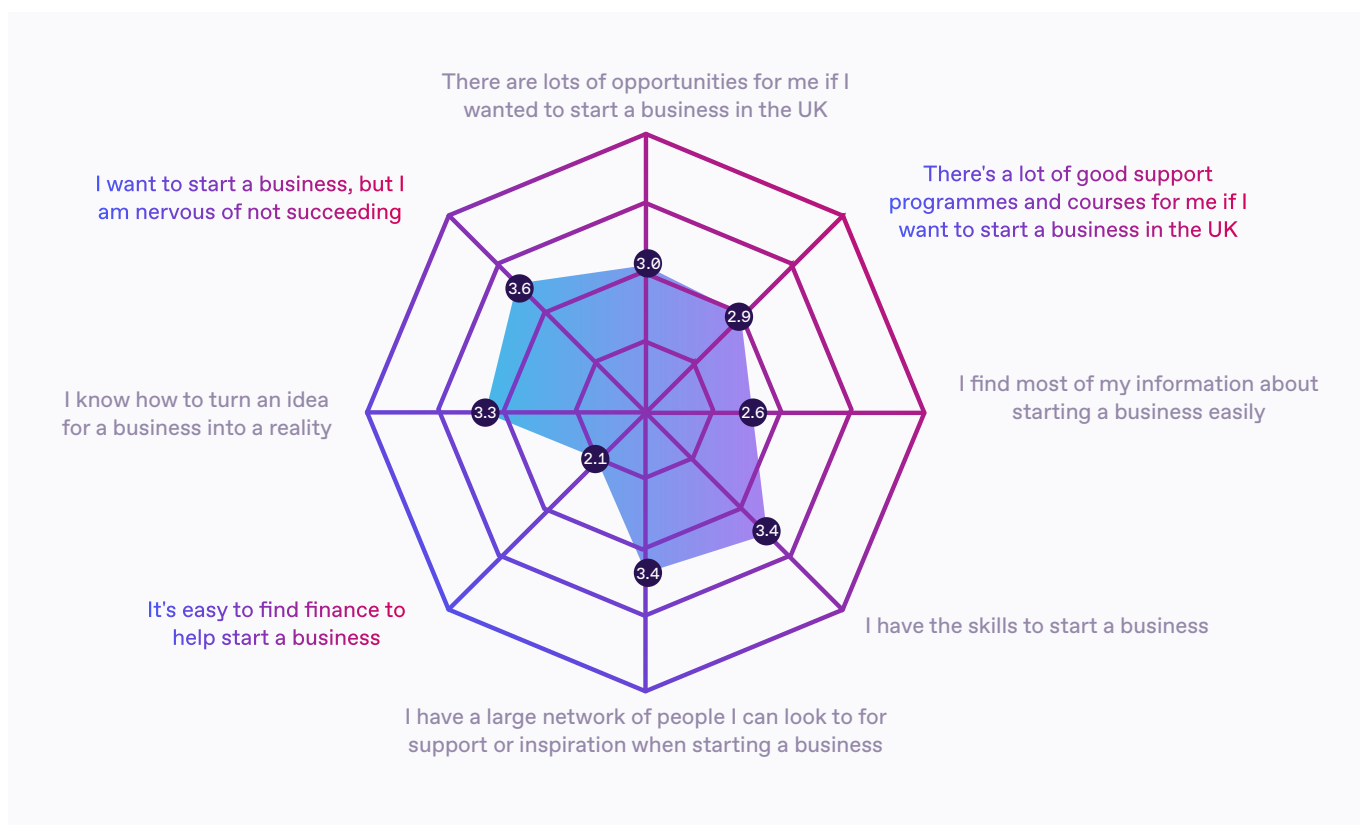
"It will help increase my wage and earnings"

## Panel Insight #2 ↘

### Fear of failure, lack of financial access and low awareness of support are the biggest barriers for young people.

To further understand factors impacting confidence levels of young people in starting a business, our panel was asked to rate their agreement with a series of statements on a scale from 1 (strongly disagree) to 5 (strongly agree). The spider diagram below illustrates their responses, highlighting key psychological and practical barriers they face in entrepreneurship (Figure 28).

Figure 28 - Entrepreneurial Confidence of Youth Panel



One of the most significant challenges identified, aligning with previous research, was access to finance, with the lowest agreement score of 2.1 for the statement: "It's easy to find finance to help start a business." This highlights young entrepreneurs' struggle to secure funding, making financial accessibility one of the most pressing obstacles in their journey. Without sufficient capital, many young people feel unable to take the first steps in establishing their businesses, reinforcing the need for improved financial support mechanisms.

Another major barrier was a lack of awareness of available support programmes, reflected in the low agreement score of 2.9 for the statement: "There are a lot of good support programmes and courses for me if I want to start a business in the UK." This suggests that many young people either do not know where to find business resources or feel that suitable programmes are not available in their local areas. This lack of visibility and accessibility limits their ability to gain the knowledge and support needed to navigate entrepreneurship successfully.

Beyond practical barriers, as aligned with previous research, fear of failure was confirmed as the most significant mental barrier, with the highest agreement score of 3.6 for the statement: "I want to start a business, but I am nervous of not succeeding." This reinforces previous research findings that "fear of failure" discourages many young people from pursuing entrepreneurship. Without confidence-building interventions and support networks, these fears prevent most potential young entrepreneurs from even attempting to start their own ventures.

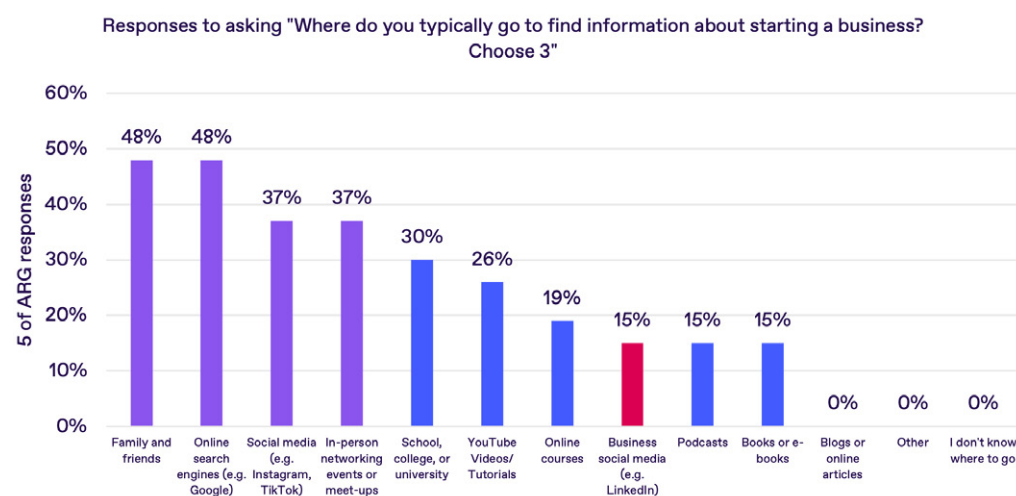
These insights highlight the critical need for better financial accessibility, improved awareness of business support programmes, and initiatives to build confidence in young entrepreneurs.

## Panel Insight #3 ▾

### Young people do not seek start-up advice from online platforms traditionally used to promote entrepreneurial skills support.

A notable gap in existing research on youth entrepreneurship is the lack of insight into where young people seek information about starting and running a business. Despite significant investment in entrepreneurial skills and support programmes, there has been little exploration into how young people access relevant guidance. To address this, the panel was asked directly about their preferred sources of information, revealing key findings that have implications for how entrepreneurial support services of the future must engage with younger audiences (Figure 29).

Figure 29 - Where young people typically go to find information about starting a business

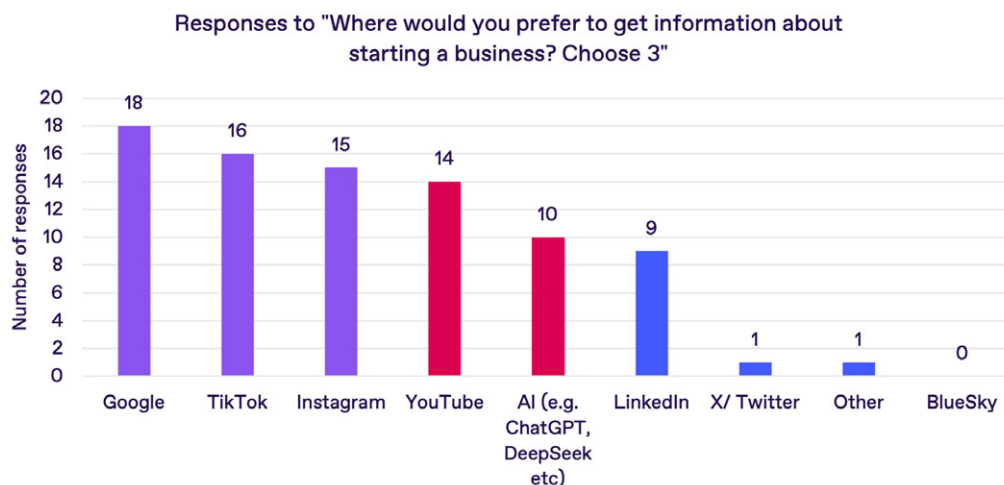


When asked where they typically go for business-related information, young people most commonly cited family and friends (48%), Google searches (48%), social media platforms such as TikTok and Instagram (37%), and in-person networking events (37%). These informal and self-directed sources were significantly more popular than traditional business support channels.

Notably, only 15% of participants identified LinkedIn or other business-oriented platforms as a key source of information, despite these platforms being widely used by enterprise support organisations to promote their services. This suggests a disconnect between where business support is advertised and where young people actually look for information, indicating that many existing programmes may not be reaching their intended audience effectively.

Figure 30 - Online channels young people prefer to get their information

In a follow-up question, we asked which online platforms young people would prefer to use when seeking business-related information (Figure 30).



While Google, TikTok, and Instagram remained popular, YouTube and AI-driven tools (e.g., ChatGPT) also emerged as preferred sources, again surpassing usage of LinkedIn. This indicates a growing preference for video-based learning and AI-powered guidance, which young people find more accessible, engaging, and relevant to their needs.

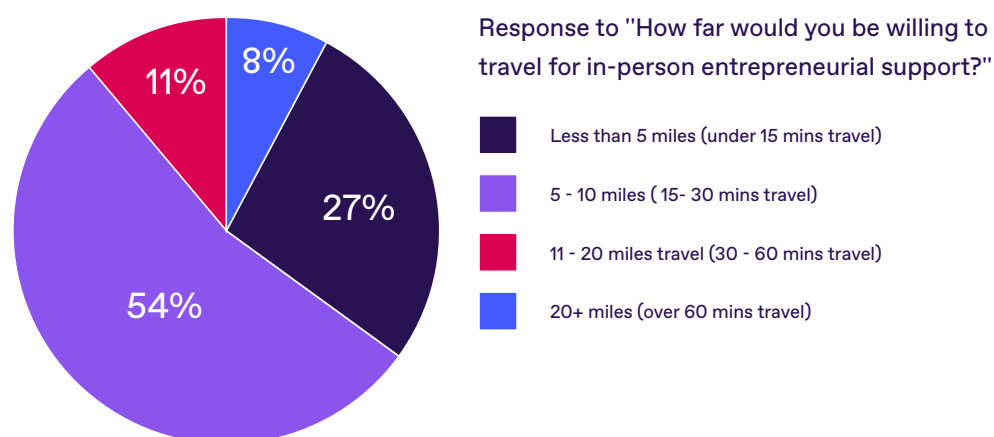
These findings highlight the need for a shift in how entrepreneurial support services are promoted and delivered to young people. If enterprise and skills programmes are to effectively engage this demographic and ensure that more young people are aware of the resources available to them, they should consider aligning outreach efforts with young people's preferred information channels.

## Panel Insight #4 ↘

### Young people are willing to travel for support, but flexibility is key to accessibility

Understanding how far young people are willing to travel for entrepreneurial skills support is critical for determining the catchment areas for innovation districts. To explore this, we asked our panel about their willingness to travel and what factors would make in-person support more accessible to them (Figure 31).

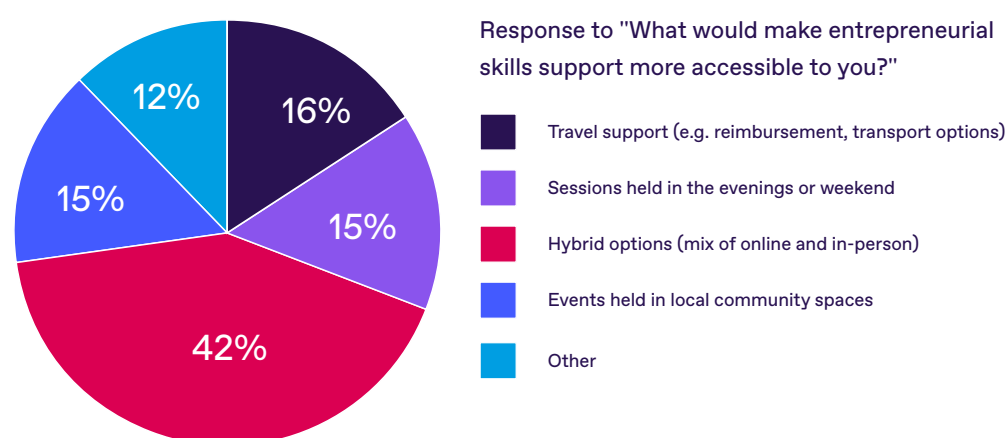
Figure 31 - How far youth would you be willing to travel for in-person entrepreneurial skills support?



More than half of respondents (54%) indicated that they would be willing to travel 10–20 miles (30–60 minutes) to access entrepreneurial support. This suggests that young people are willing to make a significant time investment if they perceive the support to be valuable. A further 27% were willing to travel 5–10 miles (15–30 minutes), while only a small proportion (8%) preferred staying within a 5-mile radius. Notably, none of the panellists stated that they were completely unwilling to travel, which highlights that location alone is not necessarily a barrier, so long as the support is perceived as relevant and beneficial.

However, flexibility remains a key factor in accessibility. While many young people are open to travelling, 42% stated that having a mix of in-person and online support (hybrid options) would make entrepreneurial skills programmes more accessible to them (Figure 32). This aligns with broader trends in education and training, where blended learning models are increasingly favoured. Additionally, 15% of respondents highlighted the importance of evening or weekend sessions, recognising that many young people balance multiple commitments such as work, education or caring responsibilities.

Figure 32 – What would make entrepreneurial skills support accessible to young people



These findings suggest that entrepreneurial support services should not rely solely on in-person delivery, even if young people are willing to travel for the right opportunities. Instead, offering hybrid models, where participants can engage both remotely and in person, could significantly improve accessibility and uptake. Additionally, ensuring that sessions are scheduled at convenient times, including evenings and weekends, could further reduce barriers to participation.

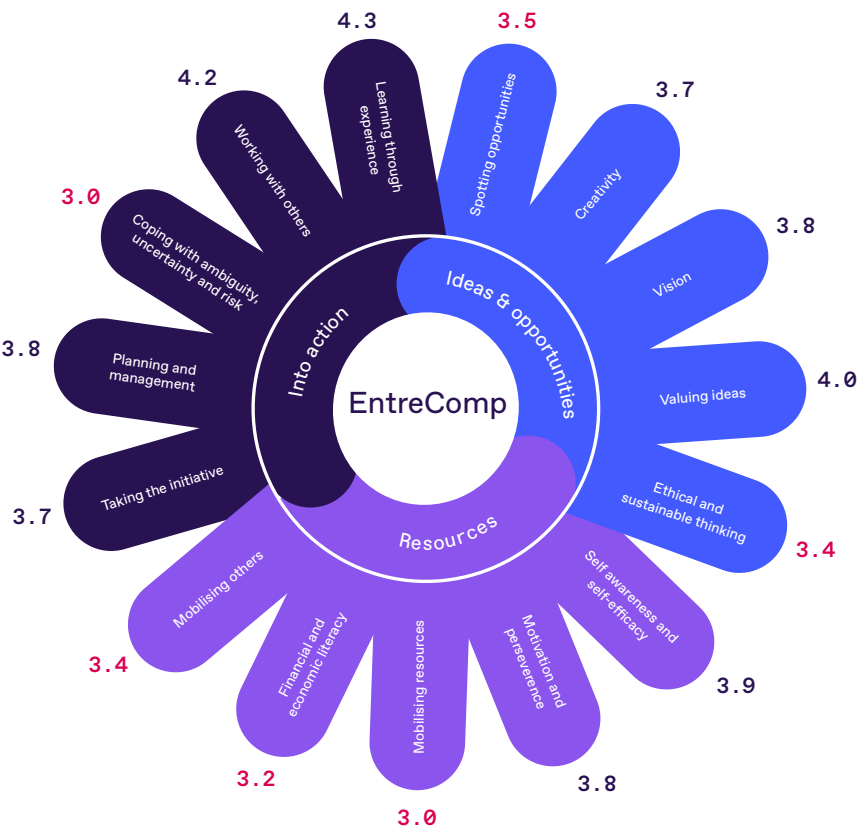
## Panel Insight #5 ▾

### Young people need the most skills support in coping with uncertainty and mobilising resources

At the outset of this study, we established a structured approach to profiling youth entrepreneurial skills using EntreComp (a globally recognised framework that classifies 15 entrepreneurial skills competencies into three core areas: “Ideas & Opportunities”, “Resources” and “Into Action”).

To apply this framework, we introduced our panel to all 15 entrepreneurial competences within EntreComp and asked them to self-assess their confidence in each skill area using a scale of 1 to 5 (no confidence to maximum confidence). This exercise enabled us to map and identify the six key competencies where young people felt least confident to identify skills gaps that needed the most support i.e. those with scores below 3.5, marked in red (Figure 33).

Figure 32 – What would make entrepreneurial skills support accessible to young people



Competency ▾	Relevant descriptor ▾
1.1 Spotting opportunities	Develop a vision to turn ideas into action
1.4 Ethical and sustainable	Believe in your ability to influence the course of events, despite uncertainty and setbacks
2.3 Mobilising resources	Get and manage the material, non-material and digital resources needed to turn ideas into action
2.4 Financial and economic literacy	Manage financing to make sure value-creating activity can last over the long term
3.4 Mobilising others	Inspiring others with your vision and motivate them to help achieve goals
3.3 Coping with uncertainty and risk	Handle fast-moving and changing situations and flexibly

Among these, two entrepreneurial skills stood out as the areas of greatest need: **“Coping with uncertainty and risk”** and **“Mobilising resources”** - both scoring the lowest at just 3 out of 5.

For **“Coping with uncertainty and risk”**, young people indicated they struggled with handling fast-changing situations and uncertainty in entrepreneurship. This aligns with previous insights where fear of failure was identified as a major barrier to starting a business. For **“Mobilising resources”**, young also reported challenges in acquiring and managing the necessary material, non-material and digital resources needed to turn ideas into action. This reinforces previous findings that accessing finance remains a key challenge, suggesting a broader gap in resourcefulness and support structures for young entrepreneurs.

Other priority areas that scored below 3.5 included **“Financial and economic literacy”** (3.4) and **“Mobilising others”** (3.2), highlighting that beyond individual skill-building, collaboration, leadership, and financial understanding are also areas where young people require targeted support.

These findings provide clear direction for policymakers, innovation districts, and enterprise education providers for future entrepreneurial support initiatives should focus on addressing these skills gaps through tailored support.

## Panel Insight #6 ▾

### A participatory and inclusive approach to youth entrepreneurial support design boosts motivation, even at the earliest stages

An unexpected yet positive outcome of this study was the direct impact that simply engaging young people in participatory discussions, via the panel, had on their motivation, confidence, and awareness of available support. While the primary aim of the sessions was to gather insights from young people about their entrepreneurial skills and challenges, the process itself empowered participants. Being a part of the panel helped the young participants to discover resources, connect with like-minded peers and feel more confident in pursuing their entrepreneurial ambitions.

96% of panel participants reported feeling more motivated and confident about starting or continuing their business journey after taking part in the study. In addition, 50% of participants sought further entrepreneurial support after attending the sessions, demonstrating that their involvement directly influenced their engagement with available resources and moved them further along their entrepreneurial journey.

However, a significant portion (65%) still recognised the need for additional support before taking the next step.

Some of the key benefits experienced by participants in the study's youth panel included:

Increased Awareness of Support	Inspiration from Peers	Increased Confidence and Motivation
<p>Many participants previously had little knowledge of the entrepreneurial support available to them. Through the workshops, they discovered new resources and gained clarity on where to find guidance.</p> <p>"I didn't think there was much support, but I feel much more confident."</p> <p>"I got more knowledge and now know where to get support."</p> <p>"It showed me that there are institutions out there that are able to give me support."</p>	<p>Being surrounded by other young, ambitious individuals helped participants feel inspired and encouraged to pursue their business ideas. The sense of community played a significant role in fostering motivation.</p> <p>"Seeing other people my age doing it makes me want to more."</p> <p>"It was inspiring to see so many people around my age actively working on building something."</p> <p>"Hearing other young people talking about starting a business encourages me to do the same."</p>	<p>Engaging in these sessions strengthened participants' belief in their ability to succeed, even if they recognised they still needed further support.</p> <p>"My motivation to start a business has definitely grown."</p> <p>"This experience has definitely made me more motivated to pursue it."</p> <p>"The sessions helped me feel more confident about the idea of starting a business."</p>

These findings highlight the power of engagement and peer-driven learning in fostering entrepreneurial ambition. While structured programmes and funding are critical, creating forums and communities for young people to discuss their aspirations, exchange ideas and learn from one another can be just as impactful.



06

# PILOT DESIGN APPROACH AND SCORECARD

06/ PILOT DESIGN APPROACH AND SCORECARD

A structured, evidence-based approach ensures Innovation Districts can design impactful entrepreneurial skills programmes for all young people within their region.

## CHAPTER 6: KEY MESSAGES SUMMARY ↘

A structured, evidence-based and universal approach enables Innovation Districts to design inclusive and high-impact entrepreneurial skills programmes for young people.

To understand their local entrepreneurial skills landscape, Innovation Districts should map their regional context by:

- Developing a youth entrepreneurial journey map tailored to local realities.
- Curating a menu of entrepreneurial skills activities based on local needs.
- Creating youth personas for marginalised groups to guide targeted support.
- Collecting regional demographic and socio-economic profiles.
- Conducting a localised EntreComp skills gap analysis.
- Mapping stakeholders, infrastructure and institutional assets.
- Auditing existing access to entrepreneurial resources, funding and role models.

Innovation Districts can use regional insights and a scorecard developed from this study to design pilot programmes based on 10 key success criteria:

- Inclusivity and Tailored Support
- Accessibility of Resources
- Scalability
- Long-Term vs. Short-Term Support
- Focus on Foundational vs. Advanced Skills
- Community Collaboration and Regional Needs
- Diversity in Delivery and Role Models
- Outcomes and Measurement
- Addressing Systemic Barriers
- Use of Digital and Physical Infrastructure

# Universal approach to designing tailored and place-based youth entrepreneurial skills programmes ↘

The following two-phase approach reflects the insights derived from this study provides practical steps for designing youth entrepreneurial skills programmes most relevant to individual innovation district regions.

## STEP 1 ↘

### Understanding the local entrepreneurial skills landscape

To design the most relevant and impactful interventions, we would recommend that Innovation District stakeholders comprehensively understand their unique local contexts through developing (and keeping updated):

- A youth entrepreneurial journey map: Develop a detailed model outlining the typical stages young people undertake when developing entrepreneurial skills and starting businesses locally.
- A menu of entrepreneurial skills activities: Curate best-practice interventions and skill-building activities tailored specifically to local youth cohorts.
- Youth personas for underrepresented groups: Clearly identify and profile challenges faced by marginalised groups, enabling highly targeted intervention designs.
- Regional demographic profiles: Collect detailed socio-economic, educational, and employment background data to effectively tailor support to the right target audience.
- A localised EntreComp skills gap analysis: Utilise the skills framework to assess entrepreneurial skill shortages and tailor interventions accordingly.
- Regional stakeholder, infrastructure and asset maps: Conduct asset mapping of local anchor institutions and resources with the strategic imperative and capability to support youth entrepreneurship effectively.
- An audit of youth access to entrepreneurial support: Identify the availability, accessibility and gaps in local resources that support youth entrepreneurship. This should include access to learning and training spaces, business facilities, free or low-cost resources, funding opportunities and mentor networks containing relevant role models.

## STEP 2 ↘

### Designing a relevant and impactful pilot

Once the Innovation District has a comprehensive understanding of their local entrepreneurial skills landscape, they should use the insights gained to design structured, targeted and scalable pilot programme using a:

- **Logic Model:** Clearly define the following components to facilitate robust pilot structures that are cost-effective and scalable:
  - **Inputs:** Clearly specify funding sources, delivery partners, local assets and resources, mentors, and any required digital or physical infrastructure.
  - **Activities:** Detail an integrated package of support provided by the innovation district, including targeted outreach, tailored skills training, accessible business launch support, ongoing mentorship, and networking opportunities.
  - **Outputs:** Identify target key performance indicators (KPIs), such as participant numbers, diversity targets, mentor-participant matches, workshop attendance rates, and number of micro-grants distributed.
  - **Expected Outcomes:** Articulate clear expected impacts, including the creation of sustainable businesses, increased employment rates among participants, and measurable Gross Value Added (GVA) contribution to the local economy.
- **Critical Success Criteria Scorecard:** Employ a structured tool containing predefined success indicators and KPIs, ensuring consistency and clarity in programme design and evaluation.
  - To provide a starting point for Innovation District stakeholders, a preliminary "Critical Success Criteria Scorecard" for inclusive youth Entrepreneurial skills programmes has been developed based on insights from this study. The Scorecard, detailed in the following section, is designed for districts to tailor and use according to their own local objectives and conditions, ensuring programmes are inclusive, impactful and aligned with regional needs.

# Critical Success Criteria Scorecard ↘

To ensure Innovation Districts are well-equipped to design and evaluate inclusive youth entrepreneurial skills programmes, we have used research insights stemming from this study to develop a Scorecard with 10 key success criteria and supporting KPIs. This framework provides a structured approach to assessing inclusivity, accessibility and impact, helping place-based leaders and programme designers create interventions that effectively support diverse young entrepreneurs.

The Scorecard serves as both a planning tool and an assessment mechanism for Innovation Districts, ensuring that initiatives are scalable, impactful, and aligned with regional and demographic needs. Each criterion reflects critical elements of success, ranging from the accessibility of resources to the integration of digital and physical infrastructure.

Criteria ↘	RED (0 points each) ↘	AMBER (5 points each) ↘	GREEN (10 points each) ↘	Potential KPIs ↘
1/ Inclusivity and Tailored Support	Pilot fails to include or engage underrepresented groups meaningfully and uses a one-size-fits-all approach.	Pilot includes some collaboration with local stakeholders or addresses regional needs, but the integration is limited or underdeveloped.	Pilot actively involves local stakeholders (e.g., colleges, community groups, funding organisations) and is designed to align with local socio-economic data and community challenges. Leverages regional infrastructure and networks to ensure broad and impactful engagement.	<div>→ % of participants from an underrepresented groups</div> <div>→ % Retention rate of underrepresented participants from programme start to completion.</div>
2/ Accessibility of Resources	Pilot fails to consider the needs of individuals with disabilities or neurodivergence, presenting physical, social or informational barriers.	Some diversity in delivery teams exists, but it is not representative of the target demographic.	Pilot features diverse mentors, trainers, and role models that represent the target audience, ensuring relatable and inspiring guidance.	<div>→ % of venues and online platforms meeting accessibility standards (e.g., wheelchair accessibility, screen reader compatibility).</div> <div>→ # of assistive tools/formats provided (e.g., subtitles, sign language interpreters, neurodivergent-friendly materials)</div>
3/ Scalability	Pilot lacks scalability and cannot be replicated beyond its initial scope or geography.	Pilot has some measurable goals but lacks a robust evaluation framework or adaptive feedback loops.	Pilot includes clear, measurable goals (e.g., improved entrepreneurial confidence, skill acquisition, business created, employment achieved from underrepresented groups) and mechanisms to track progress.	<div>→ # of locations or demographics the pilot expands to.</div> <div>→ % increase in participants over time (year-over-year growth rate)</div>
4/ Long-Term vs. Short-Term Support	Pilot focuses only on short-term interventions, such as workshops or bootcamps, without plans for ongoing engagement or follow-up support.	Pilot recognises systemic barriers but has limited interventions to address them.	Pilot actively addresses systemic issues (e.g., institutional bias within innovation districts, language and having visible representation)	<div>→ % of participants engaged in follow-up programs (mentorship, networking events, continued training).</div> <div>→ % of participants starting and sustaining businesses 1 year and 3 years post-programme.</div>
5/ Focus on Foundational vs. Advanced Skills	Pilot focuses excessively on advanced skills, excluding those who need basic entrepreneurial education and skill-building	Pilot uses some innovation district resources but not to their full potential.	Pilot effectively leverages breadth of innovation district resources (e.g., co-working spaces, tech hubs, resident businesses) to provide practical, real-world experience and ensure accessibility for participants.	<div>→ Ratio of foundational to advanced skill modules offered in the programme.</div> <div>→ Diversity of skill levels among participants successfully completing the programme (ensuring accessibility for beginners and progression for advanced learners).</div>

Criteria ↘	RED (0 points each) ↘	AMBER (5 points each) ↘	GREEN (10 points each) ↘	Potential KPIs ↘
6/ Community Collaboration and Regional Needs	Pilot operates in isolation without leveraging local expertise, networks, or addressing regional socio-economic challenges.	Pilot includes some collaboration with local stakeholders or addresses regional needs, but the integration is limited or underdeveloped.	Pilot actively involves local stakeholders (e.g., colleges, community groups, funding organisations) and is designed to align with local socio-economic data and community challenges. Leverages regional infrastructure and networks to ensure broad and impactful engagement.	<div>→ # of local delivery partners delivering the pilot</div> <div>→ # of participants from targeted local/regional communities.</div>
7/ Diversity in Delivery and Role Models	Pilot relies on non-diverse delivery teams, which could alienate participants from underrepresented groups.	Some diversity in delivery teams exists, but it is not representative of the target demographic.	Pilot features diverse mentors, trainers, and role models that represent the target audience, ensuring relatable and inspiring guidance.	<div>→ % of trainers, mentors, and speakers from backgrounds similar to target participants</div> <div>→ Participant feedback on relatability and inclusiveness of mentors and role models.</div>
8/ Outcomes and Measurement	Pilot lacks measurable outcomes or relies on vague, non-actionable metrics.	Pilot has some measurable goals but lacks a robust evaluation framework or adaptive feedback loops.	Pilot includes clear, measurable goals (e.g., improved entrepreneurial confidence, skill acquisition, business created, employment achieved from underrepresented groups) and mechanisms to track progress.	<div>→ Percentage increase in entrepreneurial confidence among participants (measured via pre- and post-program surveys).</div> <div>→ Number of new businesses started by participants within 6-12 months.</div> <div>→ Percentage of participants securing funding or employment post-program.</div>
9/ Addressing Systemic Barriers	Pilot overlooks systemic barriers and places the burden entirely on individuals to adapt or find funding to participate.	Pilot recognises systemic barriers but has limited interventions to address them.	Pilot actively addresses systemic issues (e.g., institutional bias within innovation districts, language and having visible representation)	<div>→ Number of specific interventions addressing systemic issues (e.g., funding access, institutional bias, policy recommendations).</div> <div>→ Percentage of participants from historically disadvantaged backgrounds.</div>
10/ Use of Digital and Physical Infrastructure	Pilot does not effectively utilise innovation district infrastructure or fails to make it accessible to participants.	Pilot uses some innovation district resources but not to their full potential.	Pilot effectively leverages breath of innovation district resources (e.g., co-working spaces, tech hubs, resident businesses) to provide practical, real-world experience and ensure accessibility for participants.	<div>→ # of participants utilising online tools, resources, or networking spaces.</div> <div>→ Participant satisfaction with digital and physical infrastructure accessibility.</div>
Total Score (out of 100) →	Scores <50	Scores 50-69	Scores 70+	



07

# CONCLUSION

07/ CONCLUSION

Image: Credit/ Credit

By embracing a structured, evidence-based, inclusive and locally tailored approach, Innovation Districts can play a transformative role in shaping the future of the UK's entrepreneurial landscape to one that unlocks the economic potential of the next generation.

## CHAPTER 7: KEY MESSAGES SUMMARY ↴

Innovation Districts are uniquely placed to support inclusive enterprise by:

- Acting as convenors of education, public, third and private sectors.
- Enabling place-based entrepreneurial learning ecosystems.
- Delivering scalable, tailored support through a structured, evidence-based framework.

A coordinated, stakeholder-led approach is needed which requires joined-up action across Government, education, industry and Innovation Districts.

- Recommendations include; funding scalable pilots, embedding entrepreneurship in education, and inclusive, finance, procurement and mentorship models.
- For Innovation Districts: Use scorecard tools to design tailored pilots, co-create inclusive spaces, act as ecosystem convenors, and evaluate long-term impact.
- For Government: Fund micro-grants and scalable pilots, align skills and employment policies, and embed youth enterprise in regional growth strategies.
- For Industry: Offer mentoring, fund skills programmes, support inclusive supply chains, and promote youth-led innovation.
- For Educators: Integrate enterprise skills in the curriculum, build partnerships with Innovation Districts, and support diverse pathways to entrepreneurship.

### Final call to action

- UK Innovation Districts can catalyse youth entrepreneurial talent and drive inclusive growth. Realising this potential requires sustained collaboration, strategic investment, and a commitment to equity in access to enterprise skills and opportunity.

## **This study has explored the critical role of youth entrepreneurial skills development in driving innovation and inclusive economic growth within UK Innovation Districts.**

It has examined how these districts can act as key enablers in addressing regional productivity challenges, economic inactivity and structural barriers to entrepreneurship, particularly for underrepresented groups. Enterprise skills are also essential for supporting the talent pipelines required by high-growth sectors and businesses, which are a central focus of Innovation Districts.

Through extensive research, stakeholder engagement and the formation of a Youth Action Research Panel, this study has developed an evidence-based framework for designing and piloting tailored entrepreneurial skills support programmes, recommended locations, costings and potential impact.

Findings from this study reinforce the need for a coordinated, place-based approach that leverages the unique assets of Innovation Districts. The findings suggest Innovation Districts are perhaps uniquely positioned to act as an active bridge between education, public, third and industry sectors and in so doing can provide a more joined up approach to place-based learning systems that focus on entrepreneurial skills development. The study also underscores that while youth entrepreneurship is a powerful mechanism for tackling unemployment and regional disparities, it must be part of a broader strategy that includes skills development, infrastructure investment, and access to finance.

# Key takeaways ↘



## The rationale for Innovation Districts to support youth entrepreneurial skills, particularly for underrepresented groups

- **Fostering inclusive growth:** Underrepresented groups, which include ethnic minorities, women, young people with disabilities and those from disadvantaged backgrounds, face systemic barriers to entrepreneurship. Innovation Districts can actively break down these barriers by creating accessible, locally embedded, and community-led programmes. Realising potential gains from increasing youth entrepreneurial activity and youth productivity to the same level as the USA could add upwards of £10 billion to the UK's economy.
- **Addressing economic inactivity:** Youth entrepreneurship is a pathway to reducing economic inactivity and unlocking regional economic potential. With over 3 million young people economically inactive, there is an urgent need to develop skills-based interventions that empower youth to create their own opportunities.
- **Bridging regional productivity gaps:** The UK's entrepreneurial activity lags behind global benchmarks, with declining youth business creation rates. Leveraging Innovation Districts as regional hubs for skills development and business incubation can help close this gap.
- **Aligning enterprise skills with high-growth sectors:** Developing entrepreneurial skills that are relevant to high-growth sectors and businesses can strengthen local economies and ensure that talent pipelines meet future market demands. If done with attention to inclusion and regional demographics, this approach can drive more equitable access to high-value opportunities and boost long-term economic resilience.

# Recommended actions for different innovation economy stakeholders ↴

We recognise the evolving political and financial constraints that innovation economy stakeholders operate within. These recommendations are not prescriptive and instead offer options for improvement depending on the scale of resources available. Recommended actions are divided into “Do Now”, “Do Next”, and “Do Later” actions.

## Do now

“Do Now” recommendations focus on what is being worked on already, and what immediate improvements can be made.

## Do Next

“Do Next” recommendations focus on what can be planned, and provides recommendations that can be achieved by 2030.

## Do Later

“Do Later” recommendations are important but not vital actions that can be undertaken if time and resources allow.

For Innovation Districts ▾	
Do now	<ul style="list-style-type: none"> <li>→ Create user journey maps for young entrepreneurs in the locality, mapping out the various support structures and programmes that exist locally and what interventions or service offers are available at different stages along the user journey.</li> <li>→ Map connections between the various providers, identify any gaps, and act as the continuous guiding hand between partners .</li> <li>→ Host monthly “Find out from Founders” free talks – where existing entrepreneurs in the Innovation Districts host informal “fire side” chats and Q&amp;A session open to all. The aim is to share inspiration, experience and contacts – all of which can help young or aspiring entrepreneurs if they are ‘welcomed into the fold’.</li> <li>→ Conduct self-assessments of youth entrepreneurial needs, using scorecards and regional profiles to map gaps in accessibility, inclusivity and relevance of current support.</li> <li>→ Review which platforms are used to promote youth entrepreneurship activities and ensure that these are the best fit routes to reach young people.</li> <li>→ Create a page on the UK IDG website signposting young entrepreneurs to locally available support services. Develop video features, disseminated using TikTok, Instagram, and other social media platforms, to showcase a selection of local leading entrepreneurs and give a flavour of who they are and what their journey has been.</li> <li>→ Build awareness of the Innovation District and trust between the different anchor institutions involved and the local residential and business communities.</li> </ul>
Do next	<ul style="list-style-type: none"> <li>→ Act as formal conveners of local ecosystems, bridging public, private and third sectors to deliver joined-up enterprise pathways for young people. Foster better links between youth entrepreneurship networks and more experienced entrepreneurship groups</li> <li>→ Establish a scheme similar to ‘Big Ideas Wales’ for the rest of the UK, and recruit a network of entrepreneurs to ensure that young people have representative and diverse role models in local areas.</li> <li>→ Support long-term and cross-district collaboration, participating in a UK-wide working group and sharing best practice through the UK Innovation District Group network</li> <li>→ Use a structured pilot design approach, applying the two-phase framework and Critical Success Scorecard from this study to deliver locally tailored, high-impact entrepreneurial support.</li> <li>→ Secure sustainable funding through partnerships, leveraging regional growth funds, combined authority investment and national enterprise programmes, much like the Social Enterprise Action Group for the Greater Manchester area.</li> <li>→ Track impact through a longitudinal evaluation framework, capturing outcomes such as skills gained, business creation, and economic contribution, benchmarked against global best practice.</li> </ul>
Do later	<ul style="list-style-type: none"> <li>→ Create inclusive, community-facing spaces, with flexible formats and programmes co-designed with young people and community partners.</li> <li>→ Develop, in conjunction with industry and government, a national microfinance network for early-stage ventures and test trading, to enable young people to access finance to pursue entrepreneurship.</li> <li>→ Establish transition programmes in collaboration with FE and HE for people leaving education to start a business to continue to access support and resources.</li> </ul>



For Government ▾	
Do now	<ul style="list-style-type: none"> <li>→ Scale and improve access to existing mentoring and role model networks, ensuring young entrepreneurs have access to relatable and diverse mentors who can support at every stage of their entrepreneurial journey.</li> <li>→ Embed youth entrepreneurship into local growth strategies and align enterprise training with mainstream employment and skills programmes.</li> <li>→ Improve access to existing financial support mechanisms such as micro-grants, community-based microfinancing, and loan guarantee schemes, ensuring young people have the capital needed to launch and sustain businesses.</li> <li>→ Offer flexible and accessible programme delivery for existing support activities, including hybrid (online and in-person) models, evening or weekend workshops, and outreach in local communities.</li> <li>→ Undertake place-based regulatory and ecosystem audits in consultation with young entrepreneurs to identify pressure points and missing ingredients within local youth entrepreneurship ecosystems.</li> <li>→ Provide targeted support and guidance for young entrepreneurs navigating grant and loan applications, and support for young entrepreneurs who fail to try again.</li> </ul>
Do next	<ul style="list-style-type: none"> <li>→ Address key data gaps as outlined in this report, where national datasets do not have enough observations to yield meaningful information at a place-based or regional level. Much of this data is already collected, but could be made more readily accessible.</li> <li>→ Fund and pilot entrepreneurial skills programmes, by aligning investment strategies with the findings of this report and funding scalable pilots in one or more Innovation Districts.</li> <li>→ Develop a structured approach to entrepreneurial skills development, incorporating targeted interventions that address gaps in confidence, finance, and networks for young entrepreneurs. This should include a mapping exercise to determine the extent to which young people across different ages and locations are exposed to entrepreneurship.</li> <li>→ Draft a Youth Entrepreneurship Strategy, in a similar vein to the Welsh Government's, considering evidence and experience from across Europe, aligning with sustainability and net zero, social entrepreneurship, and industrial strategies, and integrated with Local and Combined Authority entrepreneurship strategies.</li> <li>→ Improve pathways from skills training to real business creation, integrating innovation district-led incubation, funding, and industry collaboration to ensure entrepreneurial ambitions translate into tangible outcomes.</li> </ul>
Do later	<ul style="list-style-type: none"> <li>→ Ensure that the essential skills necessary to be entrepreneurial are embedded across the national curriculum from primary school, using the EntreComp framework. Review assessments such as GCSEs, T Levels, and A Levels to ensure they are still fit for purpose, and that their purpose is communicated effectively to learners.</li> <li>→ Reinstate schemes such as the Enterprise Allowance Scheme to allow aspiring entrepreneurs to focus on starting their businesses. Expand the remit of the Careers and Enterprise Company as part of the Skills England reorganisation, to cover online entrepreneurship guides and resources as well as in-person workshops and events with approved role models.</li> <li>→ Clearly assign the responsibility for Enterprise and Entrepreneurship Education to the Secretary of State for Education to improve accountability, collaborating with other key departments and youth entrepreneurship ecosystem actors within the policymaking process on curriculum design and wider entrepreneurial strategy.</li> </ul>

## For Industry and Investors (Business Leaders, Employers, Investors) ▾

<b>Do now</b>	<ul style="list-style-type: none"> <li>→ Provide mentoring and shadowing opportunities, supporting youth access to industry insights and professional networks.</li> <li>→ Continue to contribute to curriculum development, offering insight into labour market trends and sector-specific needs to help educators align enterprise skills with employer demand and evolving entrepreneurial skillsets.</li> <li>→ Expand on existing work experience and internship programmes, improving access for those from underrepresented groups.</li> <li>→ Champion inclusive procurement, opening supply chains to diverse, youth-led and microenterprises, helping scale viable ventures.</li> <li>→ Support the recognition of failure as part of learning how to succeed.</li> <li>→ Support youth entrepreneurship awards and events.</li> <li>→ Encourage the development of young entrepreneurs' and peer networks.</li> <li>→ Reach out and deploy information on business opportunities or set challenges for youth entrepreneurs.</li> </ul>
<b>Do next</b>	<ul style="list-style-type: none"> <li>→ Showcase young entrepreneurial talent, offering platforms for youth founders to connect with customers, investors and collaborators.</li> <li>→ Sponsor and co-fund entrepreneurial skills programmes, including micro-grants, innovation challenges and training aligned with high-growth sector needs.</li> <li>→ Facilitate links between youth startups and investors.</li> <li>→ Promote knowledge exchange between established business people and aspiring young entrepreneurs.</li> <li>→ Conduct and sponsor targeted outreach and support programs.</li> <li>→ Develop bespoke financial solutions for youth entrepreneurs including grants and loan guarantee schemes.</li> <li>→ Enable alternative forms of finance and promote amongst youth.</li> <li>→ Recognise business development support and mentoring in lieu of traditional collateral.</li> <li>→ Improve visibility of working at SMEs as a career path for students.</li> </ul>
<b>Do later</b>	<ul style="list-style-type: none"> <li>→ Benchmark time and cost of starting a business, and raise awareness of these to reduce uncertainty for potential entrepreneurs.</li> <li>→ Foster youth-led businesses' skills development and market access through business linkages.</li> <li>→ Support youth-led businesses through mentorship of large buyers.</li> <li>→ Support public-private partnerships aimed at building the financial sector's capacity to serve start-ups.</li> </ul>

## For Educators (Schools, Further and Higher Education) ▾

<b>Do now</b>	<ul style="list-style-type: none"> <li>→ Develop partnerships with local Innovation Districts, co-delivering real-world learning through projects, business incubators and enterprise placements.</li> <li>→ Enable educators to join enterprise educator networks such as Enterprise Educators UK and attend knowledge exchange events.</li> <li>→ Expand on industry engagement and regularly align curricula with entrepreneurial needs through entrepreneur-led advisory boards using existing employer engagement mechanisms wherever possible.</li> <li>→ Encourage and present options for entrepreneurship routes in addition to employment or higher education routes as part of careers guidance.</li> <li>→ Engage young people more regularly to understand their needs when starting a business to reduce perceptions that support is not available.</li> </ul>
<b>Do next</b>	<ul style="list-style-type: none"> <li>→ Promote youth-oriented financial literacy training and hold evening learning workshops on some of the business basics for those that want to develop their practical skills (such as business budgeting, basics in accounting, intro to finance terms, how to build your own website, and how to use Excel functions).</li> <li>→ Introduce diverse and relatable role models into education settings, helping young people see entrepreneurship as a viable option regardless of background.</li> <li>→ Embed entrepreneurial learning across the curriculum, especially at Levels 2–4, using frameworks like EntreComp to ensure students develop core enterprise skills such as resilience, communication, problem-solving and financial literacy. This should use micro-credentials to allow learners to evidence their learning and for them to identify their own key skills and competences.</li> <li>→ Train non-enterprise educators in enterprise delivery, through CPD, collaboration with enterprise educators, and collaboration with enterprise support organisations to embed practical business education in teaching.</li> <li>→ Facilitate access for non-university pathways, including vocational and alternative provision, to widen entrepreneurial participation and unlock untapped potential, including raising awareness of co-operative and social entrepreneurship.</li> <li>→ Develop transition programmes for students leaving to start a business, especially those from underrepresented groups, allowing them access to support, resources, and facilities.</li> </ul>
<b>Do later</b>	<ul style="list-style-type: none"> <li>→ Develop place-based communities of practice for entrepreneurial skills delivery amongst both FE and HE enterprise educators.</li> <li>→ Establish and scale up training and skills bootcamps for students aspiring to start a businesses to equip them with the skills needed, when they need them.</li> <li>→ Review assessment and delivery practices to reduce emphasis on solely modular delivery and exams, and instead offering alternative forms such as presentations, practical exercises, and experiential learning imitating real-life contexts, with their relevance highlighted to students.</li> <li>→ Integrate cognitive skills frameworks and micro-credentials such as EntreComp or SkillsBuilder to ensure basic skills are attained, and students can evidence these skills.</li> <li>→ Improve integration with the local ecosystem to collaborate on multi-modal learning and offer students real life opportunities to demonstrate and practice their skills.</li> </ul>

## Final call to action ↘

Overall, the findings of this youth entrepreneurial skills study provide a clear mandate for action. All stakeholders from government, industry and education must collaborate to ensure youth entrepreneurship is recognised and contributes to national and regional economic development strategies.

UK Innovation Districts have the potential to catalyse youth entrepreneurial talent, drive local economic growth, and create more inclusive, resilient regional economies. However, achieving this vision requires strategic investment, sustained collaboration, and a commitment to ensuring all young people, regardless of background, have access to the skills, networks, and resources needed to succeed.

Innovation districts have a key role to play in enabling each innovation economy stakeholder to overcome the financial and political constraints they face to support young people into entrepreneurship. A collaborative and place-based approach is required to increase access to business support and improve youth entrepreneurial activity across the UK. Innovation districts must use their dense local networks, infrastructure, and expertise as convenors of local government, academia, industry, and communities to enable inclusive youth entrepreneurship across the UK.

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# APPENDICES

APPENDICES

Image: Credit/Credit

# APPENDIX A: Glossary of Definitions

**Connected Places Catapult** – Part of the Innovate UK Catapult network, it is the UK's innovation accelerator for cities, transport, and place leadership. It connects businesses, government, and academia to spark innovation in how people live, work, and move around.

**EntreComp (Entrepreneurship Competence Framework)** – A framework developed by the European Commission to support and promote entrepreneurial learning across Europe. EntreComp outlines the knowledge, skills, and attitudes that help individuals turn ideas into action, covering 15 competences across three areas: Ideas & Opportunities, Resources, and Into Action. It's widely used in education, training, and employment to foster entrepreneurial mindsets and capabilities.

**Gross Domestic Product (GDP)** – A standard measure of the total economic output of a country. It represents the value of all goods and services produced over a specific time period and is often used to assess the size and health of an economy.

**Global Entrepreneurship Monitor (GEM)** – A leading research organisation that studies entrepreneurship worldwide, collecting data from countries to measure different aspects of entrepreneurship.

**Gross Value Added (GVA)** – A measure of the value of goods and services produced in an area, industry, or sector of the economy. It shows the contribution to the economy by measuring output minus the cost of inputs. GVA is used to assess local, regional, and sectoral economic performance and is closely related to GDP.

**High-growth businesses** – A high-growth business has average annualised growth greater than 20% per annum, over a 3-year period, measured by number of employees or turnover. With at least 10 employees in the baseline year.

**High-growth sectors** – Industries identified by the UK government as having the greatest potential to drive long-term economic growth, productivity and job creation. According to the draft Invest 2035 industrial strategy, these sectors are prioritised due to their existing strengths and future opportunities for the UK economy. The eight high-growth sectors are Advanced Manufacturing, Clean Energy

industries, Creative industries, Defence, Digital, Financial services, Life sciences & Professional and business services.

**Innovation economy** – The innovation economy refers to parts of the economy where knowledge, creativity, and intellectual capital are drivers instead of physical assets. It is characterised by rapid technological advancements and the continuous evolution of ideas. Growth in an innovation economy is exponential rather than linear, with new markets and industries emerging at an increasing pace.

**NEET (Not in Education, Employment or Training)** – A term used to describe young people, typically aged 16 to 24, who are not currently engaged in education, employment, or training. It is a key indicator used by policymakers and researchers to identify those who may be at risk of social exclusion and to target support for skills development, career guidance and re-engagement.

**Regulated Qualifications Framework (RQF)** – The RQF is a 9-level system used in England, Wales and Northern Ireland to classify and compare qualifications based on their level and size. Definitions for each levels can be found at gov.uk.

**Special Educational Needs & Disabilities (SEND)** – A term used in the UK to describe children and young people who have learning difficulties or disabilities that make it harder for them to learn compared to others of the same age.

**Total Early-Stage Entrepreneurial Activity (TEA)** – A key indicator used by GEM to measure and benchmark entrepreneurship. It represents the percentage of adults in a country who are either starting a new business (nascent entrepreneurs who haven't paid salaries for more than three months) or running a young business (businesses that are less than 3.5 years old).

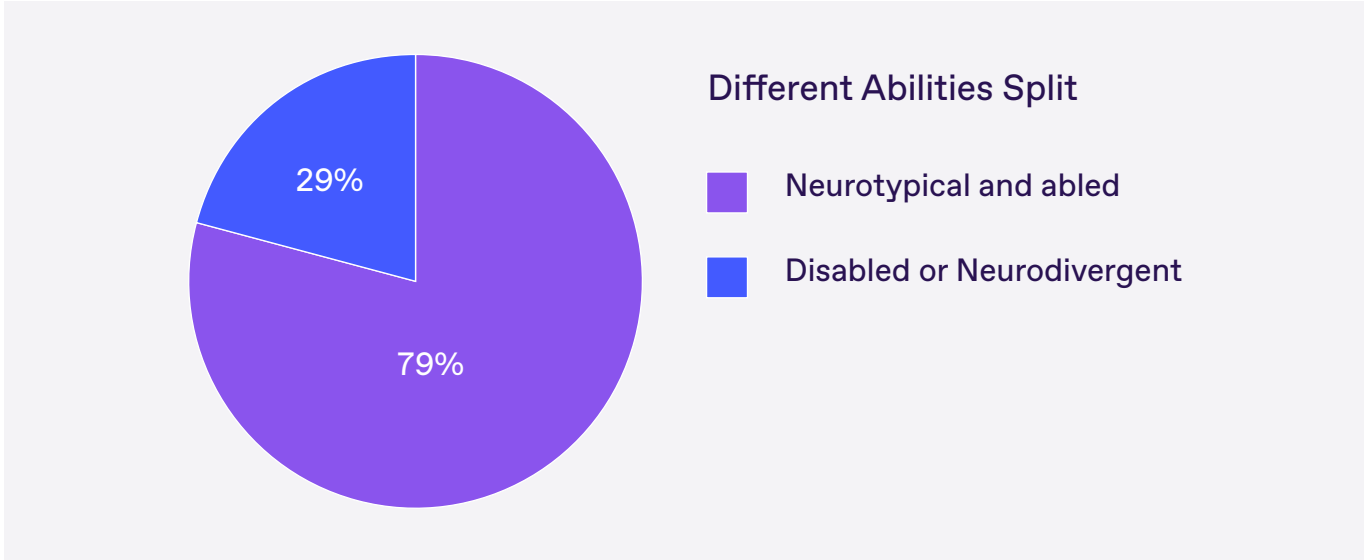
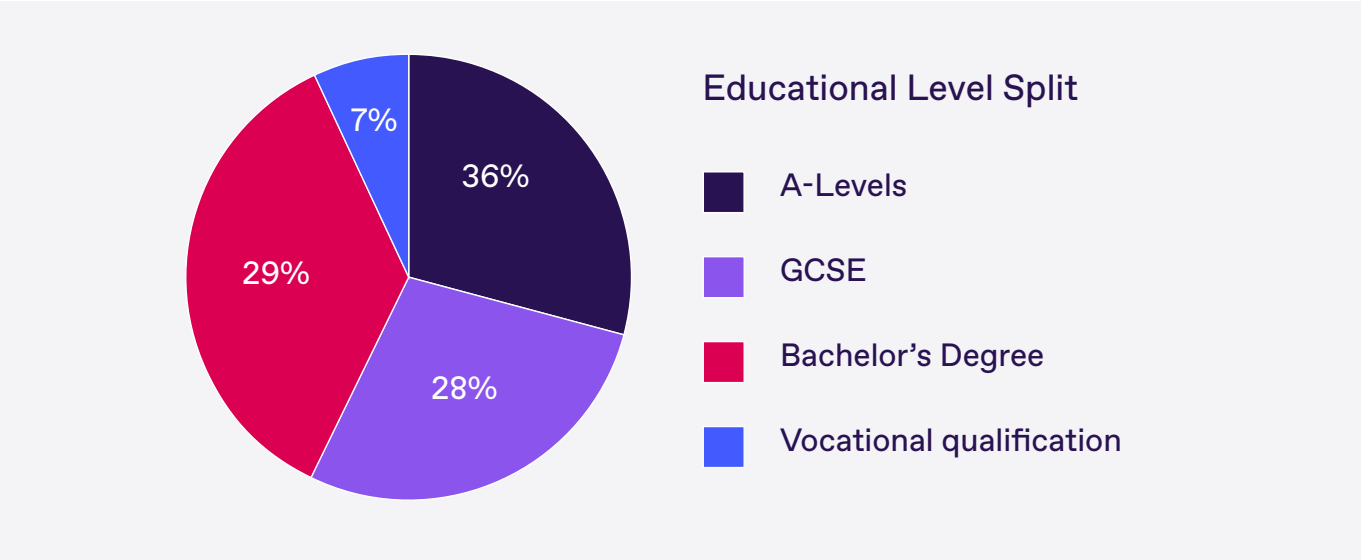
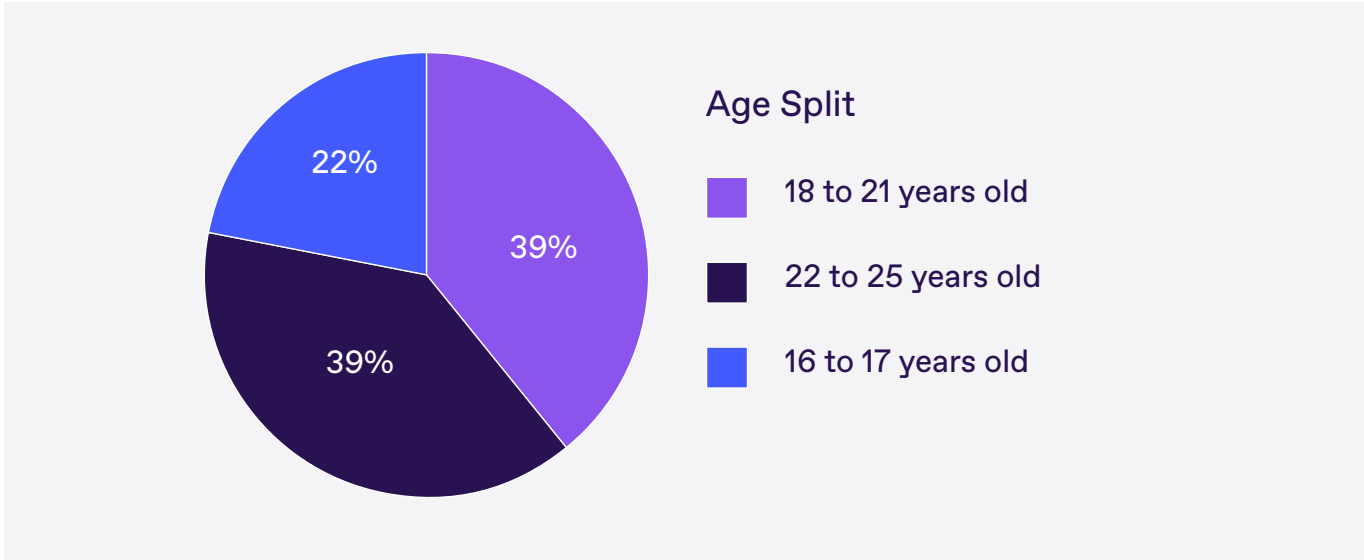
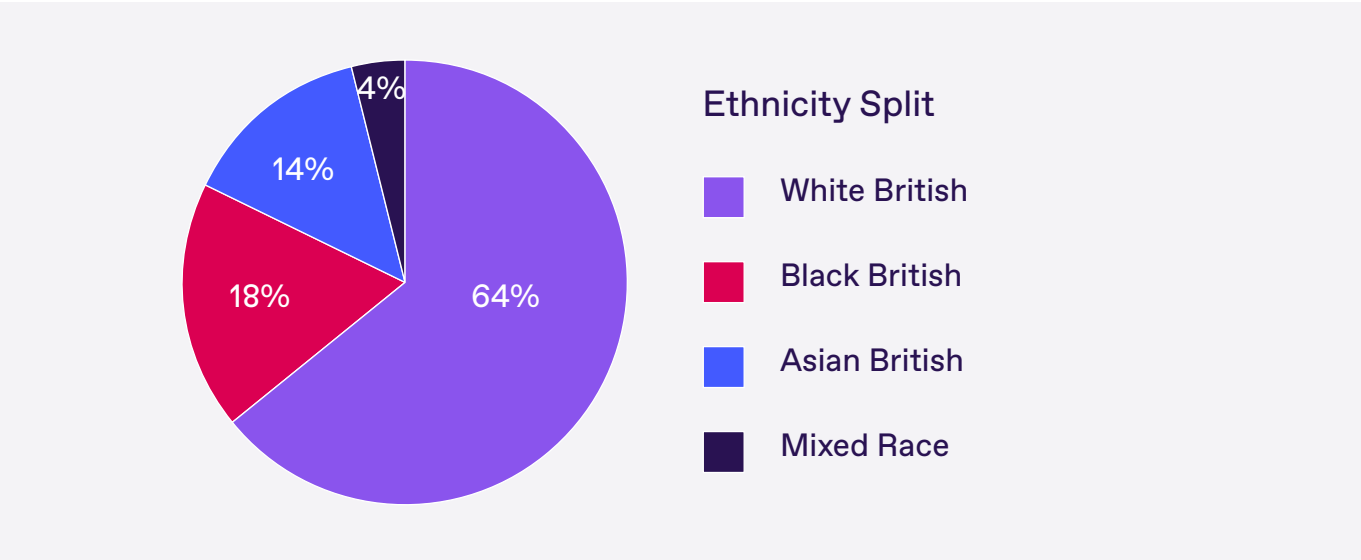
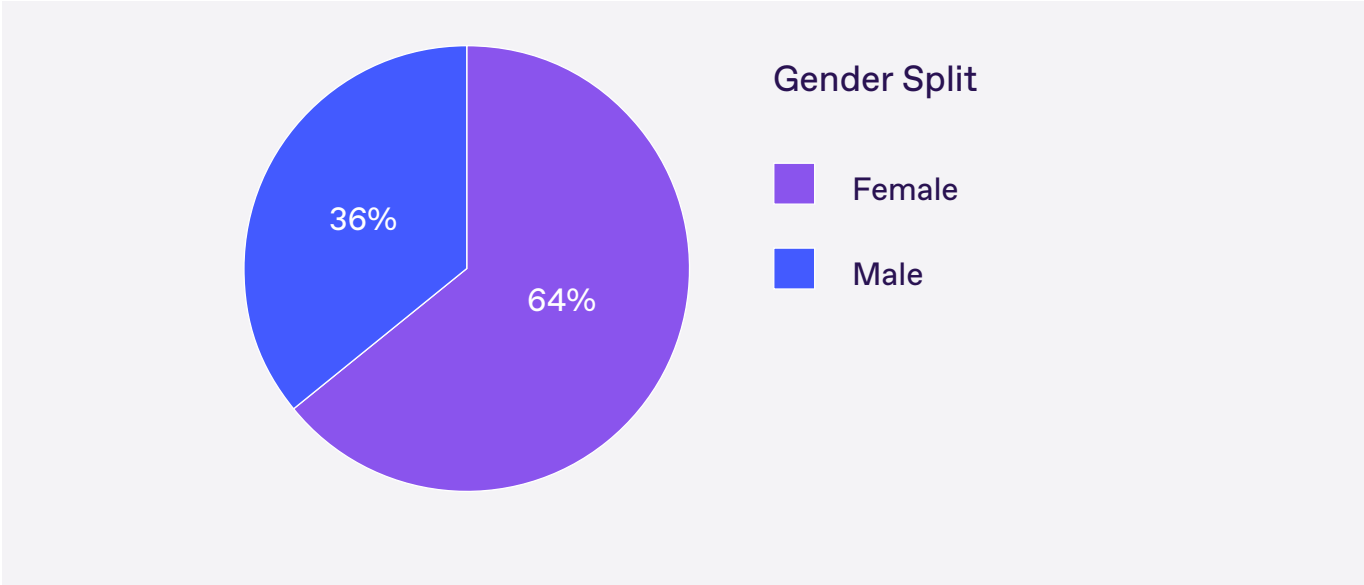
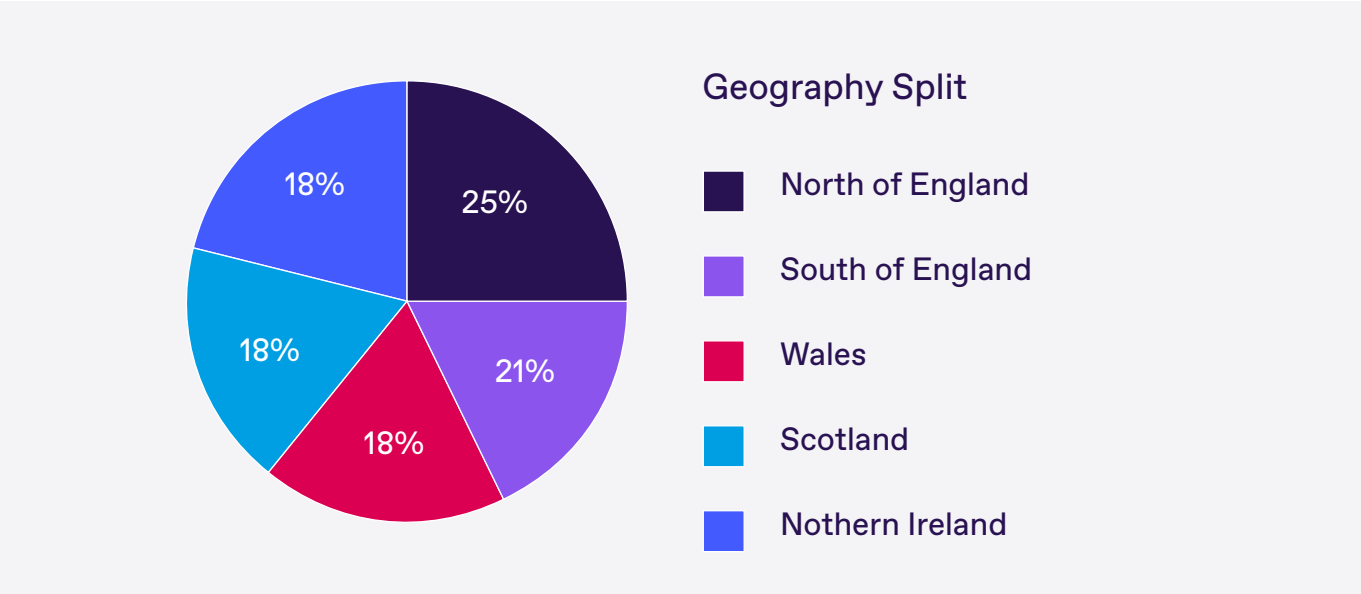
**UK Innovation Districts Group (UK IDG)** – A collaborative network of innovation districts across the UK that brings together leaders from academia, industry, and government. Supported by Connected Places Catapult, the group promotes shared learning, supports place-based innovation, and helps shape national policy to drive economic growth through the innovation economy.



# APPENDIX B: Stakeholders Engaged

Stakeholder Type	Stakeholder
Central Government Departments	→ Department for Work and Pensions
Local / Combined Authorities	→ North East Combined Authority → Camden Council → Sheffield Council / Business Sheffield
Educational Institutions & Business Skills Support providers	→ University of Strathclyde → Newcastle University → University of Birmingham → University of Bristol → Aston Business School → British Library → Royal Academy of Engineering → Enterprise Educators UK → FIRST → Business & IP Centre North East → Gateshead College → Manchester Innovation Activities Hub → Visionnaires
Youth Enterprise Organisations	→ Kings' Trust → Ahead Partnership
Business Bodies for Underrepresented Groups	→ Centre for Research in Ethnic Minority Entrepreneurship → Neurodiversity & Entrepreneurship Association → Asian Business Connexions → Black Business Network
Entrepreneurial Skills / Inclusive Economy Researchers	→ Global Entrepreneurship Monitor (GEM) → Enterprise Research Centre → The Entrepreneur's Network → Brett Centre for Entrepreneurship
Entrepreneur and SME Industry Bodies	→ Federation of Small Businesses
Investors & Venture Capitalists	→ North East Ventures → Mavens & Mavericks
Relevant International Entrepreneurial Skills Providers	→ The European Commission & European Innovation and SMEs Executive Agency (EISMEA) → Bantani Education
UK Innovation Districts members	→ Knowledge Quarter London → Knowledge Quarter Liverpool → Newcastle Helix → Glasgow City Innovation District (GCID) → Bristol Temple Quarter → Sheffield Advanced Manufacturing Innovation District (AMID)

APPENDIX C: Youth Action Research Group Demographic



# APPENDIX D: Policy Review



## UK ↴

The 2024 Get Britain Working White Paper<sup>45</sup>, outlines the government's strategy to address economic inactivity and promote an inclusive labour market by upskilling the workforce, creating employment opportunities and reducing barriers to work. It emphasises the need for fundamental reforms to employment and skills support, aiming to ensure that everyone, regardless of background or location, has the opportunity to participate and progress in work. This study contributes to these goals by focusing on youth as a critical segment of the future workforce.

The Skills England Initiative<sup>46</sup> further strengthens this agenda by providing a long-term approach to addressing the UK's skills needs, by fostering collaboration between central and local governments, businesses, training providers. Moreover, the government's Employer-Centric Skills Reforms<sup>47</sup> reinforce the importance of employer involvement in shaping the skills landscape. This highlights the role of strategic partnerships between businesses and skills providers in addressing economic inactivity.

Recent UK policy announcements for 2024–25, along with expected measures in the 2025 Spring Statement, highlight the increasing importance of youth entrepreneurship in the country's future growth strategy. To maximise their impact, it will be essential to integrate new skills initiatives effectively, leveraging locally devolved powers and support.

Table 15 summarises a selection of key UK-wide policies and programmes supporting youth entrepreneurship.

45 [Get Britain Working White Paper \(2024\)](#)  
46 [Skills England to transform opportunities and drive growth \(2024\)](#)  
47 [Skills for growth top agenda for business leaders and government \(2024\)](#)

Table 15 - UK-wide policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>Get Britain Working White Paper</b>	<p>The Get Britain Working White Paper is a comprehensive strategy aimed at boosting employment and reducing economic inactivity across the UK. It focuses on enhancing skills, creating job opportunities, and removing obstacles to work. The strategy is particularly relevant to youth entrepreneurship through its "Youth Guarantee" initiative, which ensures that every 18-to-21-year-old in England has access to apprenticeships, quality training, education opportunities, or assistance in finding a job.</p> <p>This policy is significant for promoting youth entrepreneurial activity as it creates an environment conducive to skill development and job creation. By partnering with cultural and sporting organizations and establishing youth "trailblazer" areas, the strategy aims to inspire and upskill the next generation of entrepreneurs. The transformation of the Apprenticeship Levy into a more flexible Growth and Skills Levy further supports young people's access to various forms of training and education, potentially fostering an entrepreneurial mindset.</p>
<b>The Skills England Initiative</b>	<p>A long-term approach to addressing the UK's skills needs, by fostering collaboration between central and local governments, businesses, education and training providers. It aims to provide strategic oversight of the post-16 skills system and boost growth across the country.</p> <p>Skills England is a government initiative designed to revolutionize skills development across the UK. It focuses on bridging the skills gap, empowering individuals, and boosting economic growth by offering a range of vocational training programs, apprenticeships, and digital skills courses. The initiative is particularly relevant to youth entrepreneurship as it creates a robust pipeline of talent ready to tackle the challenges of a rapidly changing economy.</p> <p>This initiative is crucial for promoting youth entrepreneurial activity as it provides tailored training opportunities that meet the diverse needs of both learners and employers. By emphasizing digital skills and collaborating with businesses to align training programs with industry requirements, Skills England enhances the employability of young participants and supports their potential entrepreneurial endeavours. The initiative's inclusivity ensures that young individuals from all backgrounds have the opportunity to upskill or reskill in high-demand areas, potentially leading to increased innovation and business creation among youth.</p>
<b>UK Devolution policies</b>	<p>Granting greater autonomy to regional authorities to address their unique economic and skills challenges. This can create sharper incentives for cities to support economic growth and boost revenues.</p> <p>UK Devolution policies aim to transfer power and decision-making authority from the central government to regional and local authorities. These policies allow for more tailored approaches to addressing local economic and skills challenges. The government's goal is to achieve universal coverage in England of Strategic Authorities, which are groups of councils working together to cover areas that people recognize and work in.</p> <p>These devolution policies are relevant to youth entrepreneurial activity as they enable local authorities to develop strategies that better suit their specific economic landscapes. This localized approach can lead to more targeted support for young entrepreneurs, taking into account regional strengths and opportunities. By aligning public service boundaries with Strategic Authorities, these policies can potentially create more efficient and effective support systems for youth entrepreneurship, fostering an environment where young business leaders can thrive.</p>

Policy ↘	Description ↘
<b>Local Growth Plans</b>	<p>Local Growth Plans (LGPs) are comprehensive strategies aimed at unlocking regional economic growth over a decade. They provide an overview of regional economic sector strengths, growth opportunities, and detail the enablers of growth that will help unlock regional growth potential. LGPs are designed to enable growth at scale and at pace, while ensuring that it is responsible and regenerative.</p> <p>These plans are particularly relevant to youth entrepreneurial activity as they focus on creating an inclusive economy with well-paid jobs. By identifying growth zones and actions across areas such as employment and skills services, LGPs can create opportunities for young entrepreneurs. The plans' emphasis on ensuring that all residents, especially those who are disadvantaged or from underrepresented groups, benefit from the prosperity delivered by growth aligns well with supporting youth entrepreneurship. This approach can help create a supportive ecosystem for young business leaders, providing them with the resources and opportunities needed to start and grow their ventures.</p>
<b>Local Skills Improvement Plans (LSIPs)</b>	<p>A government initiative that provides an agreed set of actionable priorities for employers, providers, and stakeholders in local areas to drive change in the technical skills system. LSIPs are led by designated employer representative bodies (ERBs) and aim to make technical education and training is more responsive to employer and local labour market needs.</p> <p>LSIPs are relevant to youth entrepreneurial activity as they help align technical education with the needs of local businesses. This can benefit young entrepreneurs in two ways: first, by ensuring they receive relevant skills training if they pursue technical education, and second, by creating a more skilled local workforce that young business owners can tap into as they grow their ventures. The focus on local needs and employer input can create a more supportive ecosystem for emerging entrepreneurs.</p>
<b>Invest 2035: The UK's Modern Industrial Strategy</b>	<p>Focuses on fostering long-term economic growth by creating the conditions for investment in high-potential sectors and regions. The strategy aims to deliver certainty and stability for businesses to invest in high-growth sectors that will drive the UK's growth mission.</p> <p>Invest 2035 is the UK government's 10-year plan to provide businesses with the certainty and stability needed to invest in high-growth sectors. The strategy focuses on tackling barriers to growth in the highest potential growth-driving sectors and places, creating the right conditions for increased investment, high-quality jobs, and ensuring tangible impact in communities across the UK.</p> <p>This strategy is highly relevant to youth entrepreneurial activity as it aims to create an environment conducive to business growth and innovation. By focusing on high-potential sectors and regions, Invest 2035 can provide young entrepreneurs with opportunities to enter and thrive in emerging markets. The strategy's goal of capturing a greater share of internationally mobile investment in strategic sectors can also benefit young entrepreneurs by potentially increasing access to capital and resources. Furthermore, the focus on spurring domestic businesses to boost their investment and scale up their growth can create a supportive ecosystem for young entrepreneurs to develop and expand their ventures.</p>

Policy ↘	Description ↘
<b>National Youth Strategy</b>	<p>Invites young people to be part of a national conversation on shaping policies that break barriers and affect their futures. The strategy aims to deliver better coordinated youth services and policy at local, regional, and national levels.</p> <p>The National Youth Strategy is a government initiative designed to put the views of young people at the centre of decision-making on policies that affect them. Young people from across the country will be given the opportunity to co-produce a new approach with the government towards support services, facilities, and opportunities they need outside the school gates to benefit their lives and futures. The strategy prioritizes delivering better coordinated youth services and policy at local, regional, and national levels.</p> <p>This strategy is highly relevant to youth entrepreneurial activity as it directly involves young people in shaping policies that affect their futures. By moving away from a one-size-fits-all approach and handing power back to young people and their communities, the strategy can potentially lead to more targeted and effective support for young entrepreneurs. The initial £85 million from the government and £100 million from the Dormant Assets Scheme committed to improving youth outcomes could provide resources for entrepreneurship education, mentoring programs, and other initiatives that support youth business creation and growth.</p>
<b>Start Up Loans</b>	<p>Government initiative providing funding and support to new and early-stage businesses. Offers unsecured personal loans of £500 to £25,000 at a fixed interest rate of 6% p.a., with repayment terms of one to five years.</p> <p>The Start Up Loans scheme is a government-backed initiative designed to provide funding and support to individuals looking to start or grow a business in the UK. It offers unsecured personal loans of up to £25,000 per individual, with a maximum of £100,000 per business. The loans come with a fixed interest rate of 6% per annum and repayment terms of up to five years. In addition to financial support, successful applicants receive 12 months of free mentoring and business offers to help them succeed.</p> <p>This scheme is particularly relevant to youth entrepreneurial activity as it provides accessible funding for young people who might otherwise struggle to secure traditional business loans. The unsecured nature of the loans and the absence of required personal assets or guarantors make it especially attractive for young entrepreneurs who may lack collateral. Furthermore, the additional mentoring and business support offered can be crucial for young business owners who may lack experience. The scheme's success in providing £100 million in funding to young entrepreneurs aged 18-24 demonstrates its significant impact on youth entrepreneurship in the UK.</p>



Policy ↘	Description ↘
Help to Grow	<p>Government scheme offering management training and digital technology support to smaller businesses. Recent changes in eligibility criteria have made it accessible to up to 1.2 million UK businesses.</p> <p>Help to Grow is a government-backed program designed to provide small and medium-sized businesses with the knowledge, practical skills, and support needed to reach their full potential. The program consists of a 12-week course that includes 1:1 mentor support, interactive webinars, and workshops. Participants work on designing and developing a bespoke growth plan aimed at increasing productivity and revenue.</p> <p>This program is relevant to youth entrepreneurial activity as it offers valuable management training and digital technology support that can be crucial for young business owners. The recent changes in eligibility criteria, requiring businesses to have been operating for at least one year, make it more accessible to young entrepreneurs who have recently started their ventures. By providing mentorship and practical skills development, Help to Grow can significantly enhance the capabilities of young business leaders, potentially leading to increased success rates and growth of youth-led businesses.</p>
King's Trust	<p>A charity organization that supports young people aged 18 to 30 in starting and growing their own businesses. The Trust offers a free Enterprise programme that provides training, funding, and mentoring to help turn business ideas into reality.</p> <p>The King's Trust's Enterprise programme is highly relevant to youth entrepreneurial activity as it directly targets young adults with business aspirations. By offering free support, including mentoring and potential funding, the program reduces barriers to entry for young entrepreneurs. This initiative can be particularly impactful for those who may lack the resources or connections to start a business through traditional means.</p>
Young Enterprise	<p>A youth entrepreneurship organization supporting young people in their entrepreneurial endeavours. It is funded by a mix of charitable trusts, the private sector, and local government through the UK Shared Prosperity Fund.</p> <p>Young Enterprise is an organization dedicated to supporting and nurturing youth entrepreneurship in the UK. By providing various programs and resources, it aims to equip young people with the skills, knowledge, and confidence needed to succeed in business and entrepreneurship.</p> <p>This organisation is highly relevant to youth entrepreneurial activity as it directly focuses on fostering entrepreneurial skills among young people. Through its programs, Young Enterprise likely offers practical experience in starting and running businesses, mentorship opportunities, and access to networks that can be crucial for young entrepreneurs. Its diverse funding sources, including charitable trusts, private sector contributions, and local government support, suggest a broad base of support for youth entrepreneurship initiatives in the UK.</p>

Policy ▾	Description ▾
<b>The Business and Intellectual Property Centres (BIPCs)</b>	<p>BIPCs are physical hubs located in city libraries, transforming them into engines of innovation, economic growth, and social mobility. They offer:</p> <ul style="list-style-type: none"> <li>→ Free and low-cost advice on protecting and commercializing business ideas</li> <li>→ Access to up-to-date market research and business databases</li> <li>→ Expert guidance on intellectual property</li> <li>→ A program of events and workshops delivered in collaboration with local business leaders and community partners</li> <li>→ Networking opportunities for entrepreneurs</li> </ul> <p>The BIPC network started with a successful pilot in Newcastle, funded via the British Library, and has since expanded to over 100 regional and local libraries across England. This expansion was enabled by a major investment from the Department of Culture, Media &amp; Sport (DCMS).</p> <p>The BIPC network has demonstrated significant impact:</p> <ul style="list-style-type: none"> <li>→ In Sheffield, within the first three years, it helped create almost 400 businesses, 320 additional jobs, and generated £2.8m GVA for the region.</li> <li>→ BIPC Oxfordshire has supported over 1,500 people with their start-ups and ideas since its recent launch.</li> </ul> <p>BIPCs have shown a strong commitment to supporting young entrepreneurs:</p> <ul style="list-style-type: none"> <li>→ Targeted Youth Programs: Many BIPCs offer specific support for young entrepreneurs. For example, BIPC Glasgow provides advice for starting a business to entrepreneurs under 18.</li> </ul>

Policy ▾	Description ▾
<b>The Business and Intellectual Property Centres (BIPCs)</b>	<ul style="list-style-type: none"> <li>→ Partnerships with Educational Institutions: BIPCs collaborate with schools and youth organizations. BIPC Oxfordshire partners with Oxfordshire Young Enterprise to host end-of-year showcases for student projects.</li> <li>→ Accessible Resources: BIPCs provide free access to valuable business resources that young entrepreneurs might not otherwise be able to afford, such as market research databases and IP guidance.</li> <li>→ Skill Development: Through workshops and events, BIPCs help young people develop essential business skills, from writing business plans to understanding intellectual property.</li> <li>→ Inclusive Approach: BIPCs work to engage hard-to-reach teenagers through attractive entrepreneurial activities.</li> <li>→ Technology and Digital Skills: Many BIPCs offer access to advanced technology and support for developing digital skills, which are crucial for young entrepreneurs in today's business landscape.</li> <li>→ Networking Opportunities: BIPCs provide a platform for young entrepreneurs to connect with experienced business leaders and peers.</li> </ul> <p>By offering these services, BIPCs play a crucial role in nurturing the next generation of entrepreneurs, providing them with the knowledge, skills, and resources needed to turn their ideas into successful businesses.</p>
<b>UK Shared Prosperity Fund</b>	<p>A £2.6 billion fund launched by the UK government to support local investment across the UK from 2022 to 2025. The fund focuses on three investment priorities: communities and place, support for local businesses, and people and skills.</p> <p>The UK Shared Prosperity Fund is particularly relevant to youth entrepreneurial activity through its "support for local businesses" priority. This aspect of the fund can potentially provide resources and opportunities for young entrepreneurs to start and grow their businesses. Additionally, the "people and skills" priority may offer training and development opportunities that could benefit aspiring young business owners. The fund's localized approach allows for tailored support that can address the specific needs of young entrepreneurs in different regions of the UK.</p> <p>The upcoming Spring Statement is expected to address the successor to this strand of funding.</p>



## North East ↘

The North East offers various support schemes for entrepreneurs and start-ups, including mentoring, business courses, and financial assistance. The strength of the North East's approach lies in its comprehensive support system, combining financial aid with practical guidance and resources, and its devolved authorities in the North East Combined Authority and the Tees Valley Combined Authority that both benefit from the Deeper Devolution Deal in 2024 and increased control over skills support via the Adult Skills Fund. The region's focus on fostering an entrepreneurial culture and reinvigorating communities is highlighted in the Federation of Small Businesses' (FSB) "An Entrepreneurial North" report.

The 2025 North East Combined Authority (NECA) Interim Growth Plan also highlights that the region continues to underperform in productivity, GVA, and skills levels compared to the national average. The combination of low productivity, economic inactivity, and youth disengagement from the workforce underscores the urgent need for a targeted, place-based intervention that empowers NEETs through entrepreneurship, skills training, and financial support.

The NECA local growth plan also explicitly prioritises tackling economic inactivity, skills development, and youth unemployment, while also outlining plans to increase business start-ups and SME support, alongside expanding access to finance for new businesses. In addition, the NECA Growth Plan prioritises economic inclusion and increased investment through supporting the development of "business skills".

Table 16 summarises a selection of key North East policies and programmes supporting youth entrepreneurship.

Table 15 - UK-wide policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>North East Interim Local Growth Plan</b>	The North East Interim Local Growth Plan explicitly commits to “promoting business skills to support entrepreneurialism, spinouts and scaleups, including in existing markets and focused on process improvements”.
<b>North East Growth Hub</b>	<p>The North East Growth Hub is a digital resource that provides access to business information, knowledge, and advice to SMEs in the North East of England. Launched as part of the North East Local Enterprise Partnership’s (LEP) Business Growth strategy, it aims to support businesses in starting, growing, and thriving, with the ultimate goal of delivering more and better jobs for the region.</p> <p>Key features of the North East Growth Hub include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the North East.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the North East Growth Hub offers valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the North East.</p>
<b>Deeper Devolution Deal</b>	<p>Announced in March 2024, this deal grants expanded powers and £1.4 billion in funding to the North East Mayoral Combined Authority over 30 years. It includes investments in transport, environmental initiatives, and economic development, with a focus on skills training and job creation.</p> <p>Young entrepreneurs could benefit significantly from this deal. The increased local control over economic development could lead to more targeted support for start-ups, potentially including youth-focused business incubators or accelerators. The emphasis on skills training could help young people develop entrepreneurial competencies, while improved transport links could enhance market access for new businesses.</p>
<b>The North East Fund</b>	<p>The North East Fund provides investment finance to small and medium-sized companies in Tyne &amp; Wear, Northumberland, and County Durham. While its current program has ended, new funds are expected to launch in Spring 2025. The fund has previously invested £142m in 450 companies, helping create over 3,700 new jobs.</p> <p>This initiative is particularly relevant to youth entrepreneurship as it provides access to capital for new and growing businesses, which can be crucial for young entrepreneurs who may struggle to secure traditional funding</p>



Policy ↘	Description ↘
<b>Local Authority Business Support</b>	<p>This encompasses various initiatives across different local authorities in the North East. For example, the Citylife Business Support Grant in Newcastle offers free expert advice and support to SMEs, helping them grow and adapt to challenges. Other local authorities provide similar schemes, often including business advice services, networking events, and small grant programmes.</p> <p>These support services can be invaluable for young entrepreneurs who may lack business experience. They offer access to mentoring, workshops on key business skills (like financial management or marketing), and opportunities to network with established business leaders. Some local authorities may also offer specific youth entrepreneurship programmes or start-up grants targeted at young business owners.</p>
<b>North East Business and Innovation Centre (BIC)</b>	<p>The BIC is a managed business centre offering a range of facilities including incubator spaces, offices, laboratories, and light industrial units. It provides flexible terms and a supportive environment for businesses at all stages of development. The centre also offers business support services, including advice on accessing finance, innovation support, and networking opportunities.</p> <p>For young entrepreneurs, the BIC can be a crucial stepping stone. The incubator spaces provide an affordable and flexible option for those just starting out, while the on-site support services can help navigate the challenges of early-stage business growth. The community aspect of the BIC can also be beneficial, allowing young entrepreneurs to learn from and collaborate with other businesses.</p>
<b>Enterprising North East</b>	<p>Enterprising North is a program funded by the UK Shared Prosperity Fund to support individuals in the North of Tyne and Gateshead area who are looking to start their own business or are in the early stages of trading. The program offers:</p> <ul style="list-style-type: none"> <li>→ One-on-one business advice</li> <li>→ Interactive workshops</li> <li>→ Access to resources like co-working spaces and 3D printing</li> <li>→ Networking opportunities</li> </ul> <p>This program is highly relevant to youth entrepreneurial activity as it provides comprehensive support tailored to new and aspiring entrepreneurs, including young people.</p>

Policy ↘	Description ↘
Local Women Local Enterprise	<p>The Local Women Local Enterprise programme, delivered by The Millin Charity, provides specialist enterprise support exclusively for women in Gateshead and Newcastle. It is designed to help women become “enterprise ready” and supports both aspiring entrepreneurs and existing women-led businesses. Services include one-to-one business advice, accredited enterprise training (Level 1 and 2), specialized workshops on topics like social media, bookkeeping, and risk management, as well as practical support for trading at markets and developing online profiles. Additionally, the programme offers mentoring opportunities through the “Your Enterprise” course, which connects participants with experienced female entrepreneurs. Networking events foster collaboration and inspiration among participants. The initiative also supports grant applications for business growth and addresses barriers to financial independence faced by women in deprived areas.</p> <p>This programme is particularly significant for young women entrepreneurs, providing a supportive environment tailored to their needs. It offers practical skills training that can help young women establish solid business foundations, such as financial planning, marketing strategies, and legal compliance. The mentorship opportunities connect young entrepreneurs with role models who can guide them through challenges unique to starting a business as a woman. By focusing on confidence-building and well-being, it also addresses personal barriers that young women may face when entering the entrepreneurial world. Furthermore, the emphasis on online trading and social media equips participants with modern tools necessary for thriving in today’s digital economy. For young mothers or those balancing other responsibilities, the flexible structure of the programme ensures accessibility while fostering long-term economic empowerment.</p>
Project North East (PNE) Enterprise	<p>PNE Enterprise is part of the Enterprising North consortium, which provides support to pre-start and start-up businesses. The consortium offers:</p> <ul style="list-style-type: none"> <li>→ End-to-end support</li> <li>→ Activities to drive interest</li> <li>→ Diagnostic, advice, and brokerage services</li> <li>→ Workshops, bootcamps, and online courses</li> <li>→ A grant scheme to support businesses with barriers to start-up</li> </ul> <p>This program is particularly relevant to youth entrepreneurship as it offers comprehensive support for new businesses, including those started by young entrepreneurs.</p>





## Yorkshire and the Humber ∞

Yorkshire and The Humber supports entrepreneurs through various growth hubs. The York & North Yorkshire Growth Hub helps businesses start, grow, and scale with access to funding, grants, and loans. The Leeds City Region Enterprise Partnership offers growth funding up to £50,000 for businesses in West Yorkshire and surrounding areas. HEY Growth Hub supports companies in Hull and East Yorkshire, providing access to funding schemes like #GrowMySME and the Northern Powerhouse Investment Fund.

The region's strength lies in its targeted approach, with different hubs focusing on specific geographic areas and offering tailored support, and its mayoral combined authorities in the West Yorkshire Combined Authority, York and North Yorkshire Combined Authority, and the South Yorkshire Combined Authority, which as with the North East, have greater control over providing entrepreneurial support to young people. This allows for more localised and relevant assistance to entrepreneurs and start-ups based on their location and needs.

However, there may be a need for better coordination between the different growth hubs to ensure consistent support across the region. There is an opportunity to create more cross-regional initiatives that could benefit from the combined resources and expertise of the various hubs.

Table 17 summarises a selection of key policies and programmes supporting youth entrepreneurship in Yorkshire & the Humber moving forward.

Table 17 - Yorkshire &amp; the Humber policies and programmes supporting youth entrepreneurship

Policy ↴	Description ↴
<b>York &amp; North Yorkshire Growth Hub, Hull and East Yorkshire Growth Hub, South Yorkshire Business, and Leeds City Region Enterprise Partnership</b>	<p>The Yorkshire Growth Hubs are digital resources that provides access to business information, knowledge, and advice to SMEs in the Yorkshire and the Humber region. They also provide funding and advice such as access to funding schemes such as #GrowMySME and the Northern Powerhouse Investment Fund</p> <p>Key features of the Growth Hubs include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the Yorkshire and the Humber region.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the Growth Hubs offer valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the Yorkshire and the Humber region.</p>
<b>Start-Up West Yorkshire</b>	<p>This is a fully funded programme providing business support for people living or starting a business in West Yorkshire. It offers:</p> <ul style="list-style-type: none"> <li>→ Dedicated support from an experienced Business Adviser throughout the program</li> <li>→ Access to over 12 hours of webinars on topics such as bookkeeping, promoting your business, and planning for growth</li> <li>→ 3 hours of intensive 1-2-1 coaching on specialist business topics</li> <li>→ Events and networking opportunities</li> </ul> <p>For young entrepreneurs, this program provides comprehensive support to launch and grow their businesses. The personalized action plans and expert guidance can be particularly valuable for those with limited business experience. The webinars and coaching sessions offer practical skills essential for new business owner.</p>
<b>AD:VENTURE Programme</b>	<p>AD:VENTURE is a programme of practical business support for newly trading businesses in West Yorkshire looking to grow. It offers:</p> <ul style="list-style-type: none"> <li>→ Workshops, webinars, and networking events on key growth topics</li> <li>→ The AD:VENTURE Growth Grant (£1,500 - £10,000) for capital expenditure</li> <li>→ Business Enterprise Fund Loans at competitive rates</li> <li>→ Collaboration with The Prince's Trust for entrepreneurs aged 18-30</li> </ul> <p>This program is highly relevant for young entrepreneurs, especially through its partnership with The Prince's Trust. It provides targeted support for those under 30, helping them explore entrepreneurship and access specialized resources. The growth grants and loans can be crucial for young business owners looking to expand their operations.</p>

Policy ▾	Description ▾
Step Up	<p>Step Up helps young people to build confidence, explore career options, build on existing skills, and gain qualifications while also benefiting from one-to-one mentorship. Other help includes supported work experience, action planning, and careers advice.</p> <p>The length of time spent on the Project is agreed with the participant. With the right support, progression to further or higher education, skills training or employment is just a step away.</p> <p>There are up to 4,700 free places available. Step Up provides support for people with specific characteristics such as:</p> <ul style="list-style-type: none"> <li>→ People aged from 16 to 24 years old who are not in employment or education or training</li> <li>→ People aged from 16 to 24 years old who care leavers</li> <li>→ People aged 24 years and over who are unemployed or economically inactive</li> <li>→ Young people and adults with a disability or special educational needs</li> <li>→ Economically inactive women returners</li> <li>→ The programmes include: <ul style="list-style-type: none"> <li>→ College Connect + is for those aged between 16 and 24 years of age who are currently not in education, employment or training. An individual development plan, together with mentorship and careers advice will support additional transversal skills achievement and lead to qualifications (the level is dependent on the learner).</li> <li>→ Those aged 25 and over who are currently not in education, employment or training can apply for College Connect 24+. An individual development plan, together with a range of flexible delivery modules and short accredited courses will build additional transversal skills to support you into further training, education or employment.</li> <li>→ DARE is open to all who have a disability, are aged 16 years or over and are unemployed or economically inactive. Support offered through DARE include weekly mentorship, goal setting and action planning specific to the individual learner to enhance opportunities to gain qualifications and progress into work or stay in work. Support from expert organisations will be included where appropriate.</li> <li>→ Unemployed or economically inactive women aged 18 years plus, who wish to build confidence, refresh skills, gain qualifications and work experience in areas of economic demand can apply to WRAP. Through job coaching and mentorship, support will be provided to create progression pathways including to further and higher education or employment. A number of travel bursaries are available to help current students, who have extra complex needs and who without the additional financial support may not be able to continue their programme of study.</li> </ul> </li> </ul>
Local Authority Business Support	<p>This encompasses various initiatives across different local authorities in the Yorkshire and the Humber region. For example, Business Sheffield offers free expert advice and support to SMEs, helping them grow and adapt to challenges. The Enterprise West Yorkshire program offers tailored business advice, commercial property assistance, and guidance on funding and grants. Other local authorities provide similar schemes, often including business advice services, networking events, and small grant programmes.</p> <p>These support services can be invaluable for young entrepreneurs who may lack business experience. They offer access to mentoring, workshops on key business skills (like financial management or marketing), and opportunities to network with established business leaders. Some local authorities may also offer specific youth entrepreneurship programmes or start-up grants targeted at young business owners.</p>

Policy ▾	Description ▾
Sheffield Chamber of Commerce Business and Enterprise Employer Skills Academy	<p>The Sheffield Chamber of Commerce Business &amp; Enterprise Academy encourages students to develop their entrepreneurial skills through a variety of business building workshops and presentations from local business moguls. The workshops are designed to suit students studying any course at the College to provide them with the knowledge and skills they need to go further in their careers.</p> <p>Workshops have included industry advice from various professionals such as:</p> <ul style="list-style-type: none"> <li>→ Chris Wilder – Premiership Football Manager</li> <li>→ Helen Williams – Personal &amp; Business Development Coach at HEW</li> <li>→ Melinda Schofield – Regional Sales Director at Bauer Media Group UK</li> </ul> <p>The academy has a membership scheme to encourage students to have sustained interaction with us. This means that we can inspire students who are contemplating self-employment or entrepreneurship to develop the skills and knowledge they need to become their own boss.</p>
SWEF enterprise and business fund	<p>The SWEF enterprise and business fund awards grants of up to £2,000 to young people in South Yorkshire who need support with business start-up costs that they would otherwise not be able to afford, and particularly those who are not in education, employment or training. This is not a loan scheme and recipients do not need to pay the grant back.</p> <p>Eligible participants:</p> <ul style="list-style-type: none"> <li>→ are aged 18 to 30</li> <li>→ currently live in the county of South Yorkshire</li> <li>→ are from a low-income household or facing other challenges preventing you from developing your business</li> <li>→ are running a business that has been trading for under two years (including those about to start a new business)</li> </ul>





## North West ↘

The North West region supports entrepreneurs through initiatives like the GC Business Growth Hub in Greater Manchester, offering access to finance, business strategy advice, and sustainability schemes. The Growth Platform in Liverpool provides access to a £20 million fund for local business growth and job creation. Cheshire and Warrington LEP offer grants up to £15,000 to help unlock growth potential. The Business Hub Cumbria, part of the Northern Powerhouse Investment Fund, provides free and impartial advice, while Boost Business Lancashire has helped over 8,000 local businesses with mentoring and tools.

A key strength of the region is the diversity of support available, catering to different business needs across various areas, and as with the previous regions has mayoral combined authorities in the Greater Manchester Combined Authority and the Liverpool City Region Combined Authority that can both provide greater entrepreneurial skills support to young people. As of February 2025, Cumbria, and Cheshire and Warrington were authorised to hold elections in May 2026 to form a new mayoral combined authority.

The region could benefit from more coordinated efforts between different support organisations to create a more unified support system. There is also an opportunity to expand on successful programs and replicate them across the region to ensure equal access to support for all entrepreneurs and start-ups.

Table 18 summarises a selection of key North West policies and programmes supporting youth entrepreneurship.

Table 18 - North West policies and programmes supporting youth entrepreneurship

Policy ↴	Description ↴
<b>GC Business Growth Hub, Boost Business Lancashire, The Business Hub Cumbria, and the Growth Platform</b>	<p>The North West Growth Hubs are digital resources that provides access to business information, knowledge, and advice to SMEs in the North West.</p> <p>Key features of the Growth Hubs include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the North West.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the Growth Hubs offer valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the North West.</p>
<b>Local Authority Business Support</b>	<p>This encompasses various initiatives across different local authorities in the North West. For example, local authorities across the region offers free expert advice and support to SMEs, helping them grow and adapt to challenges. Other local authorities provide similar schemes, often including business advice services, networking events, and small grant programmes.</p> <p>These support services can be invaluable for young entrepreneurs who may lack business experience. They offer access to mentoring, workshops on key business skills (like financial management or marketing), and opportunities to network with established business leaders. Some local authorities may also offer specific youth entrepreneurship programmes or start-up grants targeted at young business owners.</p>
<b>Preston's Invest in Youth Project</b>	<p>While not exclusively focused on entrepreneurship, this project supports young people aged 14-24 in Preston who are economically inactive. It offers a holistic package of support, including access to services, preventative action, and community empowerment. The project involves partners like Education Business Partnership North West (EBP) and Lancashire Community Finance (LCF).</p> <p>Although not directly an entrepreneurship programme, this project is relevant to youth entrepreneurship as it helps young people overcome barriers to economic activity. By addressing issues such as low skills, lack of work experience, and social isolation, it can help prepare young people for entrepreneurial pursuits. The involvement of EBP in bringing education and business together can also foster entrepreneurial thinking among participants.</p>

Policy ▾	Description ▾
<b>SSE North West (School for Social Entrepreneurs North West)</b>	<p>SSE North West, launched in Liverpool in 2007, supports social entrepreneurs across the region with training, networking, and ongoing opportunities. They have developed several innovative programmes, including a Cultural Leadership Programme, Social Innovators in Health and Wellbeing Programme, and the SSE's first Environmental Programme. Notably, they created an SSE Programme for Young People and work closely with schools across the North West, delivering bespoke programmes.</p> <p>This initiative is highly relevant to youth entrepreneurship as it focuses on developing young social entrepreneurs. By offering intensive core programmes and short, bespoke Associate Fellowship programmes centred on Action Learning Sets, SSE North West equips young people with the skills and networks needed to create positive social change through entrepreneurial ventures.</p>
<b>GMYN (Greater Manchester Youth Network) Business Support</b>	<p>While not exclusively focused on entrepreneurship, GMYN works with local business partners to support young people's transition into employment. They help young people access training and work readiness programmes, which can be valuable for those considering entrepreneurship as a career path.</p> <p>This initiative is relevant to youth entrepreneurship as it helps build foundational skills and networks that can be applied to starting a business. By connecting young people with the North West business community, GMYN creates opportunities for mentorship, skill development, and potential partnerships that could foster entrepreneurial endeavours.</p>
<b>Pennine Lancashire Youth Enterprise Fund</b>	<p>This fund, established by Regenerate Pennine Lancashire, offers financial bursaries of £1,000 or £2,000 to young people aged 14-25 in Blackburn with Darwen, Burnley, Hyndburn, Pendle, and Rossendale. The fund supports young entrepreneurs who demonstrate outstanding enterprising behaviour.</p> <p>The Youth Enterprise Fund is highly relevant to youth entrepreneurship as it provides direct financial support for various business-related expenses, including training, qualifications, equipment, and start-up costs. By offering this financial assistance, the fund enables young entrepreneurs to overcome initial barriers to starting or expanding their businesses, fostering a culture of entrepreneurship among youth in the region.</p>





## London ↘

As the capital city, London has numerous initiatives and support mechanisms in place. These may include access to finance, mentorship programs, and networking opportunities. London's strengths in supporting entrepreneurs stem from its position as a global financial centre and its diverse, innovative economy. The city's high concentration of businesses, investors, and talent creates a dynamic environment for start-ups.

However, high costs of living and operating a business in London can be challenging for new entrepreneurs. There may be opportunities to develop more affordable workspace solutions and to create stronger links between London's start-up ecosystem and other regions of the UK.

London has implemented targeted support programmes for entrepreneurs and start-ups, such as the Start Ups and Entrepreneurial Support programme in Haringey. This programme, funded by the UK Shared Prosperity Fund, provides tailored support to local entrepreneurs, focusing on young people, female entrepreneurs, and founders from diverse backgrounds. It includes various projects such as support centred around Global Entrepreneurship Week, a business Growth programme, and a migrant and refugee programme.

The strength of London's approach lies in its targeted and inclusive nature. By focusing on specific groups such as young people, women, and diverse founders, the programmes aim to foster a more inclusive entrepreneurial ecosystem. The combination of specialised training, networking opportunities, and integration into the local business ecosystem provides a comprehensive support package for entrepreneurs.

Table 19 summarises a selection of key London policies and programmes supporting youth entrepreneurship.

Table 19 - London policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>LIFT Youth Hub</b>	<p>The LIFT Youth Hub, located in Islington, London, is a multifaceted facility that supports young people aged 13-24 in various aspects of their personal and professional development. While not specifically focused on youth entrepreneurship, LIFT offers several resources and programs that benefit young entrepreneurs:</p> <ul style="list-style-type: none"> <li>→ <b>Facilities:</b> LIFT provides access to meeting and training rooms, multi-use halls, a 30-station gym, indoor and outdoor kitchens, a dance studio, and a recording studio. These spaces can be used for business meetings, workshops, or developing creative projects.</li> <li>→ <b>Skills Development:</b> The hub offers workshops and activities that can help build valuable skills for entrepreneurs, including creative cooking, music production, and digital skills.</li> <li>→ <b>Support Services:</b> Young people can receive personal help with CV writing, looking for work, and developing projects. These services can be beneficial for young entrepreneurs starting their own businesses.</li> <li>→ <b>Networking Opportunities:</b> LIFT hosts various activities and events, providing opportunities for young people to connect and potentially collaborate on business ideas.</li> <li>→ <b>Creative Spaces:</b> The hub includes creative areas like a recording studio, which could be particularly useful for young entrepreneurs in creative industries.</li> <li>→ <b>Flexible-use Spaces:</b> LIFT is planning to create more flexible-use spaces, which could potentially be used for entrepreneurial activities or small business meetings.</li> <li>→ <b>Targeted Wellbeing Services:</b> The hub offers support for young people with mild-to-moderate wellbeing issues, which can be crucial for maintaining mental health while pursuing entrepreneurial goals.</li> </ul> <p>LIFT Youth Hub's resources and support services provide a foundation that can help young people develop skills and confidence necessary for entrepreneurial pursuits. The hub's focus on personal development, skill-building, and providing access to resources aligns well with the needs of young entrepreneurs.</p>
<b>Local Authority Business Support</b>	<p>This encompasses various initiatives across different local authorities in the North West. For example, local authorities across the region offers free expert advice and support to SMEs, helping them grow and adapt to challenges. Other local authorities provide similar schemes, often including business advice services, networking events, and small grant programmes.</p> <ul style="list-style-type: none"> <li>→ These support services can be invaluable for young entrepreneurs who may lack business experience. They offer access to mentoring, workshops on key business skills (like financial management or marketing), and opportunities to network with established business leaders. Some local authorities may also offer specific youth entrepreneurship programmes or start-up grants targeted at young business owners.</li> </ul>

Policy ▾	Description ▾
<b>Shifting London Learning Programme – Start Up and Trade Up</b>	<p>The Shifting London learning programme is a programme funded by the UK government through the UK Shared Prosperity Fund. The programme supports leaders in social enterprise through access to support, learning and funding. Each programme will equip leaders with the skills and networks to start and grow their social enterprise.</p> <p>There are two programmes available: Start Up (for early-stage social entrepreneurs) and Trade Up (for more established social entrepreneurs).</p> <p>Start Up is for people in the early stage of setting up a social or environmental impact project, social enterprise or charity with an income of less than £15,000 a year Greater London.</p> <p>Start Up supports participants to:</p> <ul style="list-style-type: none"> <li>→ Develop business and entrepreneurial skills and help get started.</li> <li>→ Develop resilience and leadership skills.</li> <li>→ Develop strong peer networks of fellow social entrepreneurs.</li> </ul>
<b>Grow London Local</b>	<p>Grow London Local is a one-stop-shop to get free access to support needed to help start and grow a business.</p> <p>Their online library for events, support programmes and expert-led content is designed to help achieve business goals – and receive personalised recommendations via our Business Success Check.</p> <p>They also provide a free consultation with a Business Support Manager. This is to identify business needs - and signpost to the most relevant support.</p>
<b>Go! London Young Entrepreneurs Start Up Programme</b>	<p>The Go! London Young Entrepreneurs Start Up Programme works with young Londoners, aged 16-24 years old, who want to start and grow sports and physical activity-based enterprises that make a difference to young people in their community.</p> <p>They receive free training from the School for Social Entrepreneurs to help you develop a business that will do good in their community. Their programme is being supported by the Bayes Business School. The programme aims to give participants the best possible chance of success, through access to support, learning and funding. The programme will equip participants with the skills and networks to start and grow a business and make an impact.</p>



Policy ▾	Description ▾
Skill Up, Step Up	<p>Skill Up, Step Up is a £1m Evening Standard and Independent appeal in partnership with Barclays LifeSkills to upskill unemployed and disadvantaged young Londoners so they can be “work ready” and step up into sustainable jobs or apprenticeships.</p> <p>The Skill Up, Step Up fund is funded by Barclays and managed by the London Community Foundation. It provides grant funding over two years for five charities that provide disadvantaged jobless young Londoners with employability skills and wrap-around care to get them into the labour market and transform their lives:</p> <ul style="list-style-type: none"> <li>→ Resurgo’s Spear Programme operates across eight centres in London, located in Bethnal Green E2, Camden NW3, Hammersmith W6, Harrow HA1, Islington N7, North Kensington W10, Kennington SE11 and Clapham Junction SW11. The course provides unemployed young people aged 16-24 with the confidence, motivation and vital skills required to succeed in employment. They also offer 12 months of career support after the initial training.</li> <li>→ 2020 Change’s I Am Change employability programme provides training, mentorship and career support to enable young Black people to flourish in the workplace.</li> <li>→ First Rung’s Youth Employability Skills programme is for 18-24s who are not in education, employment or training, and who are affected by anxiety and mental health issues. Programme participants develop employability skills and personal attributes to secure and sustain employment/work placement opportunities.</li> <li>→ City Gateway’s education and training programme prepares young people aged 16-24 for employment or an apprenticeship through training, coaching and work experience. They enrol and start courses every four weeks.</li> <li>→ Springboard’s courses upskill unemployed 16-24-year-olds by providing training and guaranteed interviews for roles in the hospitality, leisure and tourism sectors.</li> </ul>
Skill Up, Step Up	<ul style="list-style-type: none"> <li>→ First Rung’s Youth Employability Skills programme is for 18-24s who are not in education, employment or training, and who are affected by anxiety and mental health issues. Programme participants develop employability skills and personal attributes to secure and sustain employment/work placement opportunities.</li> <li>→ City Gateway’s education and training programme prepares young people aged 16-24 for employment or an apprenticeship through training, coaching and work experience. They enrol and start courses every four weeks.</li> <li>→ Springboard’s courses upskill unemployed 16-24-year-olds by providing training and guaranteed interviews for roles in the hospitality, leisure and tourism sectors.</li> </ul>
Start It	<p>Start It is the West London Partnership’s sustainable entrepreneurship programme, created for students from Years 8 to 13 at St Paul’s and partner schools. The programme provides a structured framework that helps students develop an entrepreneurial mindset.</p> <p>Supported by a network of alumni, parents, enterprise groups and investors, the Start It programme looks to share our wisdom and experience with young people as they acquire the knowledge and confidence to create their own businesses. As well as learning fundamental concepts of business, finance, and enterprise, students also master workplace skills including leadership, presentation, and self-discipline. Crucially, the programme is open to, and promoted amongst, all of the young people in the West London Partnership’s schools. A key focus of the partnership is to foster collaboration between different groups of students and to promote social enterprise.</p>

Policy ▾	Description ▾
<b>Youth Futures Fund: skills, training and employability</b>	<p>The Youth Futures Fund was launched in 2021 to support London's young people. Since then, over £600,000 has been raised to support 15 organisations across London under the themes of mental health, and skills, enterprise and employability – with each organisation awarded an average grant size of £30,000 over two years.</p> <p>The second phase of the Youth Futures Fund focused on skills, training and employability and funded eight local community partners. Each of these partners give young people the vital support they need to stay engaged in education, get training, and find quality work so they have the tools to fulfil their potential and build a secure future.</p>
<b>InvestIN Young Entrepreneur Summer Experience</b>	<p>This is a 2-week business summer school in London for students aged 15-18. It includes:</p> <ul style="list-style-type: none"> <li>→ Career simulations and professional site visits</li> <li>→ Opportunity to pitch business ideas to entrepreneurs</li> <li>→ Offers a Level 3 Award in Work Experience &amp; Career Planning (8 UCAS points)</li> <li>→ Takes place at University College London (UCL)</li> </ul> <p>These programmes offer a range of support, from funding and mentoring to practical experience and networking opportunities, catering to young entrepreneurs at various stages of their business journey</p>
<b>Small Business Research + Enterprise Centre</b>	<p>The Small Business Research + Enterprise Centre (SBREC) is a specialist business support service provided by the City of London Corporation. It offers:</p> <ul style="list-style-type: none"> <li>→ Access to extensive business information resources and databases</li> <li>→ Market research and company data</li> <li>→ Business planning assistance</li> <li>→ One-to-one start-up advice sessions</li> <li>→ Digital skills mentorship with Google Garage</li> <li>→ Free webinars and workshops on business topics</li> </ul> <p>Flexible workspace for members in the City of London</p>



## East of England ↘

The East of England supports entrepreneurs through various growth hubs. The New Anglia Growth Hub offers numerous grants, including up to £10,000 for social enterprises in Norfolk. The Cambridgeshire and Peterborough Combined Authority Growth Hub provides a revenue grant scheme of up to £6,500 match funding. The match funding scheme also encourages businesses to invest in their own growth.

A strength of the region is its focus on specific sectors, such as social enterprises, demonstrating a tailored approach to supporting different types of businesses, and its mayoral combined authority. Lincolnshire is set to have its Greater Lincolnshire Combined Authority from May 2025. As of February 2025, Norfolk and Suffolk was also authorised to hold elections in May 2026 to form a new mayoral combined authority.

However, the region could benefit from expanding its range of support options and increasing the funding available to match other regions. There is an opportunity to develop more sector-specific initiatives and to create stronger links with the region's universities and research institutions to foster innovation and entrepreneurship.

Table 20 summarises a selection of key policies and programmes in the East of England supporting youth entrepreneurship moving forward.



Table 20 - East of England policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>Hertfordshire Growth Hub, Cambridgeshire and Peterborough Combined Authority Growth Hub, and New Anglia Growth Hub</b>	<p>The East of England Growth Hubs are digital resources that provides access to business information, knowledge, and advice to SMEs in the East of England. They offer access numerous grants and financial advice, such as grants of up to £10,000 for social enterprises in Norfolk to the Future Farming Resilience Fund.</p> <p>Key features of the Growth Hubs include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the East of England.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the Growth Hubs offer valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the East of England.</p>
<b>University of East Anglia (UEA) Student Enterprise</b>	<p>UEA offers comprehensive support for student entrepreneurs, including guidance, community building, funding, and facilities. Their programmes include a one-week Startup Bootcamp, workshops, events, and talks. They also provide funding schemes ranging from £500 to explore an idea to up to £50,000 for scaling businesses</p> <p>This initiative is particularly relevant for young entrepreneurs in higher education. It offers a supportive ecosystem for students to develop and test their business ideas, with access to mentorship, funding, and facilities like The Enterprise Centre, UEA's hub for growing businesses.</p>

Policy ▾	Description ▾
<b>Watford Young Entrepreneurs Programme (WYEP)</b>	<p>The Watford Young Entrepreneurs Programme, funded by Watford Borough Council and delivered by the University of Hertfordshire, supports aspiring and existing entrepreneurs aged 18-35 in Watford. It features two phases:</p> <ul style="list-style-type: none"> <li>→ <b>Phase 1:</b> A bootcamp with workshops and expert-led sessions on entrepreneurship, business development, sustainability, and market trends.</li> <li>→ <b>Phase 2:</b> Bespoke one-to-one mentoring, further skill-building workshops, and the opportunity to apply for up to £5,000 in grant funding.</li> </ul> <p>This programme is highly relevant as it provides tailored support for young entrepreneurs to develop their business ideas or scale existing ventures. The combination of expert mentoring, workshops, and funding opportunities empowers young people to build sustainable businesses while addressing local economic needs. Its focus on digital, creative, social, and sustainable enterprises is particularly aligned with modern entrepreneurial trends.</p>
<b>Thurrock Social Entrepreneurship Programme</b>	<p>Funded by Thurrock Council and delivered by SSE East, this programme supports individuals in Thurrock who have ideas for projects that benefit people or the environment. Participants receive training, mentorship, and guidance to launch their initiatives successfully.</p> <p>This initiative is particularly relevant for young people passionate about social impact. It provides the resources needed to turn community-focused ideas into reality while fostering leadership skills essential for managing social enterprises.</p>



## South East ↘

The South East region supports entrepreneurs through various initiatives. The South East Business Hub covers Essex, East Sussex, Kent, Medway, Thurrock, and Southend, offering advice and links to funding options. Coast to Capital, covering West Sussex, Brighton and Hove, and East Surrey, offers Invest4 grant funds that cover 40% of specific business growth investments. Other initiatives include Buckinghamshire Business First and OxLEP, which committed £2.24 million in funding to businesses in 2021.

A strength of the region is the diversity of support available across different counties, catering to various business needs. The significant funding commitments demonstrate a strong dedication to supporting entrepreneurship and business growth. As of February 2025, Greater Essex, Hampshire and the Solent, and Sussex and Brighton were authorised to hold elections in May 2026 to form a new mayoral combined authority.

However, the region could benefit from more coordinated efforts between different growth hubs to create a more unified support system. There is an opportunity to develop more sector-specific initiatives and to leverage the region's proximity to London to create stronger links with the capital's business ecosystem.

Table 21 summarises a selection of key policies and programmes in the South East supporting youth entrepreneurship.

Table 20 - East of England policies and programmes supporting youth entrepreneurship

Policy ↴	Description ↴
<b>South East Business Hub, South East Local Enterprise Partnership, Buckinghamshire Business First, OxLEP, Berkshire Growth Hub, Enterprise M3, and Solent LEP Growth Hub</b>	<p>The South East Growth Hubs are digital resources that provides access to business information, knowledge, and advice to SMEs in the South East of England. They work with businesses across all sectors based in the South East, providing insight into capital investment provided to growth hubs and the contact information for growth hubs in the region. Funding and investment are also made available for businesses in and around the Solent area, such as the New Forest Rural SME Fund and the Isle of Wight Rural SME Fund.</p> <p>Key features of the Growth Hubs include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the South East of England.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the Growth Hubs offer valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the South East of England.</p>
<b>Coast to Capital</b>	<p>Coast to Capital supports entrepreneurs located in West Sussex, Brighton and Hove, and East Surrey, with funding options including Invest4 grant funds that cover 40% of specific business growth investments.</p>
<b>University of Sussex Student Enterprise</b>	<p>The University of Sussex, through its Sussex Innovation Centre, supports student entrepreneurs with various initiatives:</p> <ul style="list-style-type: none"> <li>→ Startup Sussex: An annual business plan competition offering funding and support to student and graduate entrepreneurs.</li> <li>→ Sussex Innovation Centre: Provides office space, mentoring, and support for technology and knowledge-based startups.</li> </ul> <p>These programmes are particularly relevant for young entrepreneurs in higher education, offering a supportive ecosystem to develop and test business ideas, with access to mentorship, funding, and facilities.</p>
<b>We Rise Youth Movement in Essex</b>	<p>This initiative, expanding across south Essex, helps remove barriers to jobs and skills for 16 to 25-year-olds. It funds places for young people on a university course, teaching them the skills needed to turn their business dreams into reality. The programme is open to 13 to 25-year-olds and is held online in the evenings to accommodate those balancing education, training, or work.</p>





## South West ↘

The South West supports entrepreneurs through various growth hubs. The Growth Hub Cornwall & Isles of Scilly provides details of relevant funding schemes for local businesses. The Heart of the South West Growth Hub offers business support programmes in Devon, Somerset, and the South West areas. The West of England Growth Hub supports SMEs in Somerset, Bristol, and South Gloucestershire with financial support such as green business grants.

A strength of the region is its focus on sustainability, as evidenced by the green business grants, and the presence of the West of England Combined Authority. The diverse range of support across different counties also ensures that businesses throughout the region can access assistance.

However, the region could benefit from increasing the scale of its funding and support to match other regions. There is an opportunity to develop more sector-specific initiatives, particularly in areas where the South West has natural advantages, such as tourism and agriculture.

Table 22 summarises a selection of key policies and programmes supporting youth entrepreneurship in the South West of England.

Table 22 - South West of England policies and programmes supporting youth entrepreneurship

Policy ↴	Description ↴
<b>Growth Hub Cornwall &amp; Isles of Scilly, Heart of the South West Growth Hub, West of England Growth Hub, The Growth Hub, Swindon &amp; Wiltshire Growth Hub, and Dorset Gateway</b>	<p>The South West Growth Hubs are digital resources that provides access to business information, knowledge, and advice to SMEs in the South West of England. SMEs in these regions can apply for financial support such as green business grants, seek advice on intellectual property (IP) and request carbon surveys to understand their energy emissions.</p> <p>Key features of the Growth Hubs include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the South West of England.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the Growth Hubs offer valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the South West of England.</p>
<b>Entrepreneurial Futures</b>	<p>Entrepreneurial Futures is a £5.6 million initiative funded by the UK Shared Prosperity Fund, focusing on Cornwall and the Isles of Scilly. The programme connects businesses with higher education institutions through research-led activities. It supports innovation in key sectors like clean energy, immersive technologies, agri-robotics, and coastal communities. Activities include:</p> <ul style="list-style-type: none"> <li>→ Access to industry-leading facilities</li> <li>→ Collaboration with academic experts</li> <li>→ Support for research and development</li> </ul> <p>This initiative nurtures an entrepreneurial culture by fostering innovation and collaboration between young entrepreneurs and academic institutions. It provides opportunities for youth-led businesses to access cutting-edge resources and expertise, particularly in high-growth sectors such as clean energy and technology.</p>



Policy ▾	Description ▾
<b>Social Enterprise Incubator</b>	<p>The Social Enterprise Incubator is part of Bristol's Local Access Partnership and aims to make the city's economy more equitable by supporting Black and minoritized entrepreneurs. It offers:</p> <ul style="list-style-type: none"> <li>→ Enterprise development services</li> <li>→ Small grants</li> <li>→ Up to £1 million in investment packages</li> </ul> <p>The programme also provides tailored business development support alongside affordable repayable finance options. This incubator addresses barriers faced by young entrepreneurs from underrepresented backgrounds by offering financial resources and personalized support. Its focus on inclusivity makes it particularly valuable for empowering diverse youth-led ventures.</p>
<b>South Bristol Enterprise Support (SBES)</b>	<p>SBES is a partnership led by Bristol City Council that includes training, grants, bursaries, and tailored support for new and existing businesses in South Bristol. It provides short courses for pre-startup enterprises as well as advanced support for established businesses.</p> <p>This programme supports early-stage entrepreneurs by providing foundational skills training alongside financial assistance. It helps young people overcome initial barriers to starting their businesses while fostering long-term growth.</p> <p>These programmes collectively offer comprehensive support for youth entrepreneurship in the South West of England through funding opportunities, mentorship, skills development workshops, networking events, and access to cutting-edge resources. They are tailored to meet diverse needs across sectors such as social enterprise, technology innovation, green jobs, and traditional entrepreneurship pathways.</p>



## Midlands ↘

The East Midlands supports entrepreneurs through various initiatives. The LLEP Growth Hub offers a Business Gateway Grant Scheme of up to £25,000 for Leicester and Leicestershire businesses. Business Lincolnshire has supported over 35,000 businesses with over 1,460 grant approvals and funding of over £5 million.

The East Midlands region has implemented several policies to support entrepreneurs and start-ups. These include coordinating business support through a business growth hub, which provides a central first point of contact for local businesses and those wanting to start a business. The support covers areas such as young entrepreneurs, social enterprises, female-owned, ethnic minority-owned, and people with SEND needs-owned businesses, as well as creating work placement and apprenticeship opportunities

The strength of the East Midlands' approach lies in its comprehensive and inclusive support system, and the East Midlands Combined Authority. By targeting specific groups and sectors, the region aims to create a diverse and robust business ecosystem. The focus on social enterprises and overcoming local market failures also demonstrates a commitment to sustainable and community-oriented business development.

However, access to finance is a challenge across the East Midlands. This presents an opportunity to develop more robust financial support mechanisms, possibly in collaboration with other regions or national initiatives, to enhance the overall support package for entrepreneurs and start-ups in the area.

The West Midlands offers support to entrepreneurs through various initiatives. The Greater Birmingham & Solihull Growth Hub provides access to business loans, asset finance, and working capital. The Stoke-on-Trent & Staffordshire Growth Hub offers free 1-2-1 business advice and a Small Business Grant Scheme for up to £10,000. The Marches Growth Hub provides grant funding for businesses in Herefordshire, Shropshire and Telford & Wrekin, including up to £20,000 in grants to support energy efficiency programmes.

A strength of the region is the variety of support options available, catering to different business needs and stages of growth, as well as the presence of the West Midlands Combined Authority. However, there may be a need for better coordination between the different growth hubs to ensure consistent support across the region. There is an opportunity to create more cross-regional initiatives that could benefit from the combined resources and expertise of the various hubs, potentially leading to more impactful support for entrepreneurs and start-ups.

Table 23 summarises a selection of key Midlands policies and programmes supporting youth entrepreneurship.

Table 23 - Midlands policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>Business Lincolnshire, LLEP Growth Hub, Stoke-on-Trent &amp; Staffordshire Growth Hub, Marches Growth Hub, Greater Birmingham &amp; Solihull Growth Hub, CWLEP Growth Hub, and SEMLEP's Growth Hub</b>	<p>The Midlands Growth Hubs are digital resources that provides access to business information, knowledge, and advice to SMEs in the Midlands. Covering the Midlands includes access to a series of innovation and sustainability grants such as the Green Recovery and Innovation Programme, with up to £10,000 available. Business Lincolnshire also is a growth hub that has supported over 35,000 businesses with over 1,460 grant approvals and funding of over £5m.</p> <p>Key features of the Growth Hubs include:</p> <ul style="list-style-type: none"> <li>→ One-to-one advice: Experienced Growth Hub Connectors offer personalized guidance to businesses, helping them navigate available support and finance options.</li> <li>→ Online directory: The website hosts a comprehensive directory of business support services available in the region.</li> <li>→ Inspiration: The platform shares business growth stories and advice from across the Midlands.</li> <li>→ Peer Network programme: This initiative connects businesses for collaborative learning and support.</li> <li>→ Simplification of support services: The Hub aims to rationalize local and national business support services, making it easier for businesses to identify and access appropriate assistance.</li> </ul> <p>For young entrepreneurs, the Growth Hubs offer valuable resources and connections to help launch and grow their businesses in the region. By providing access to expert advice, funding opportunities, and a network of peers and mentors, it can significantly support youth entrepreneurial activity in the Midlands</p>
<b>STEAMhouse Business Incubator</b>	<p>STEAMhouse offers a range of support for young entrepreneurs:</p> <ul style="list-style-type: none"> <li>→ Co-working spaces and production facilities equipped with cutting-edge technology</li> <li>→ Incubation support including business advice, mentoring, and workshops</li> <li>→ Access to a network of industry experts and potential collaborators</li> <li>→ Funding opportunities through various schemes and competitions</li> <li>→ Regular events and exhibitions to showcase innovative projects</li> </ul> <p>The incubator has a particular focus on interdisciplinary innovation, encouraging collaboration between arts, science, technology, engineering, and mathematics.</p> <p>This initiative is directly targeted at young entrepreneurs still in or recently graduated from university. It provides a supportive environment for developing business ideas and skills, with a clear pathway from education to entrepreneurship. The inclusion of international students through the Start-Up Visa programme makes it particularly inclusive for diverse young entrepreneurs.</p>

Policy ▾	Description ▾
Enterprise Hive and BSEEN (Birmingham Skills for Enterprise and Employability Network)	<p>This dedicated entrepreneurship hub offers:</p> <ul style="list-style-type: none"> <li>→ Access to the BSEEN programme for aspiring business owners</li> <li>→ Virtual bootcamps on business startup essentials</li> <li>→ Support for students to seize unique business opportunities</li> </ul> <p>Directly targets university students and recent graduates, providing tailored support to help them launch businesses. The virtual format increases accessibility for young entrepreneurs.</p> <p>BSEEN is a 12-month programme that offers:</p> <ul style="list-style-type: none"> <li>→ A five-day intensive boot camp covering key aspects of starting a business</li> <li>→ £500 start-up grant</li> <li>→ Free co-working space</li> <li>→ Mentoring from experienced entrepreneurs</li> <li>→ Workshops on various business topics</li> <li>→ Networking opportunities with other start-ups and established businesses</li> <li>→ Legal advice and support</li> </ul> <p>BSEEN is open to students and graduates from partner universities in the West Midlands, making it highly relevant for young entrepreneurs starting their journey.</p>
YouthPath	<p>Launched in February 2025 by Movement to Work and the West Midlands Combined Authority (WMCA), YouthPath aims to:</p> <ul style="list-style-type: none"> <li>→ Create career paths for young people not in education, employment or training (NEET)</li> <li>→ Support Mayor Richard Parker's mission to create 20,000 training, work experience and apprenticeship opportunities</li> <li>→ Work with businesses to provide meaningful pathways into employment</li> <li>→ Address high youth unemployment rates in areas like Birmingham, Wolverhampton and Walsall</li> </ul> <p>While focused on employment, this initiative could provide valuable work experience and skills development for young people interested in eventually starting their own businesses. The emphasis on creating opportunities aligns with fostering an entrepreneurial mindset.</p>





## Northern Ireland ↘

Northern Ireland has several strengths in supporting youth entrepreneurship, including well-established programmes like Young Enterprise NI that reach tens of thousands of young people annually and foster critical entrepreneurial skills from an early age. Government-backed initiatives such as Invest NI's Accelerating Entrepreneurship Strategy demonstrate a commitment to creating a culture of enterprise by addressing societal attitudes toward risk-taking and embedding entrepreneurship into education systems.

However, challenges remain, including limited informal investment opportunities (e.g., angel investors) compared to other UK regions and persistent barriers such as fear of failure among potential entrepreneurs. Budget cuts have also impacted key programmes, reducing their ability to reach disadvantaged communities despite their proven success in fostering entrepreneurship.

Opportunities lie in expanding collaborative efforts between public institutions (e.g., councils), universities, and private-sector partners to fill funding gaps and create more accessible pathways for youth entrepreneurship across urban and rural areas alike. By leveraging digital platforms like Go Succeed and enhancing mentorship networks through initiatives like The King's Trust NI, Northern Ireland can further empower its next generation of entrepreneurs while driving economic growth through innovation.

Table 24 summarises a selection of key Northern Irish policies and programmes supporting youth entrepreneurship.

Table 23 - Midlands policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>InvestNI</b>	<p>SMEs in Northern Ireland have access to Invest Northern Ireland, which supports businesses in the region. Invest NI's strategy focuses on creating a culture of entrepreneurship through:</p> <ul style="list-style-type: none"> <li>→ Business education programmes targeting young people.</li> <li>→ Promotional campaigns to encourage a “can-do” attitude toward entrepreneurship.</li> <li>→ Flexible support systems for individuals with innovative ideas, particularly in knowledge-based sectors like technology.</li> </ul> <p>This policy aims to embed entrepreneurial thinking into Northern Ireland's education system while addressing cultural barriers such as fear of failure. It provides a supportive environment for young people to explore entrepreneurship as a viable career path.</p>
<b>NI Small Business Loan Fund</b>	<p>Offers SMEs loans of up to £100,000, and SMEs can apply for funding for expansion or market development.</p>
<b>Growth Finance Fund</b>	<p>£30m fund for loans that support businesses in Northern Ireland with strong growth potential or SMEs demonstrating growth. Loans are provided over a 2-7 year period, and eligible companies have to be able to show they can service loan repayments from projected cash flows.</p>
<b>Go Succeed</b>	<p>Go Succeed is an initiative supported by Northern Ireland's 11 councils to help individuals start, grow, or scale their businesses. It provides:</p> <ul style="list-style-type: none"> <li>→ Business advice tailored to early-stage entrepreneurs.</li> <li>→ Access to funding opportunities for start-ups.</li> <li>→ Networking events to connect entrepreneurs with local mentors and peers.</li> </ul> <p>This programme is highly relevant as it offers hands-on support for young entrepreneurs at various stages of their business journey. Its focus on collaboration across councils ensures accessibility for young people in both urban and rural areas.</p>
<b>Ulster University and Queen's University Belfast – Enterprise Initiatives</b>	<p>Both universities actively support youth entrepreneurship through partnerships with YENI and internal initiatives such as:</p> <ul style="list-style-type: none"> <li>→ Business competitions offering funding for student start-ups.</li> <li>→ Access to incubators and co-working spaces on campus.</li> <li>→ Workshops on business planning, marketing, and scaling ventures.</li> </ul> <p>These initiatives provide a strong foundation for university students interested in starting businesses by offering resources, mentorship, and funding opportunities within an academic setting.</p>
<b>NI Business Info</b>	<p>NI Business Info provides a centralized hub of resources for young entrepreneurs, including:</p> <ul style="list-style-type: none"> <li>→ Guidance on registering a business and navigating regulations.</li> <li>→ Information on grants, loans, and other funding options specific to Northern Ireland.</li> </ul> <p>This platform simplifies the process of starting a business by consolidating essential information in one place, making it easier for young entrepreneurs to access the support they need.</p>





## Scotland ↘

Scotland has several strengths in supporting youth entrepreneurship, including long-standing programmes like YE Scotland that provide hands-on enterprise education across schools, colleges, and community groups. Initiatives such as The King's Trust Business Advance Programme offer tailored mentorship and funding support during the critical early years of business development, while organisations like SIE foster innovation within higher education institutions.

However, challenges persist in areas such as entrepreneurial confidence among Scottish youth (as highlighted by the GEM Scotland report), limited access to informal investment (e.g., angel investors), and insufficient integration of entrepreneurship into school curricula. These gaps hinder the pipeline of aspiring entrepreneurs from diverse backgrounds.

Opportunities lie in expanding experiential learning initiatives like the Entrepreneurial Education Pathways Fund to reach more school-age children across Scotland while strengthening connections between businesses and educational institutions through mentorship programmes like Bridge2Business. By addressing barriers such as fear of failure and improving access to funding for youth-led start-ups, Scotland can further empower its next generation of entrepreneurs while driving inclusive economic growth across urban and rural regions alike.

Table 25 summarises a selection of key Scottish policies and programmes supporting youth entrepreneurship.

Table 23 - Midlands policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>Scottish Enterprise</b>	Scottish businesses can apply for grants through agencies such as Scottish Enterprise.
<b>Business Loans Scotland</b>	£15m fund that invests either in start-ups or growing Scottish SMEs. Businesses can borrow anywhere between £25,000-£100,000 from their start-up and growth loan. This loan allows for a five-year repayment period, with interest rates fixed at 6%.
<b>Scottish Venture Fund</b>	Offering financial support to Scottish SMEs who can show how the investment will benefit Scotland.
<b>Scottish Growth Scheme</b>	Scottish businesses can apply for grants through agencies such as the Scottish Growth Scheme.
<b>Scottish Institute for Enterprise (SIE)</b>	<p>SIE helps university students create businesses and social enterprises through:</p> <ul style="list-style-type: none"> <li>→ Annual bootcamps focused on idea development and pitching skills.</li> <li>→ Competitions offering funding for innovative student-led projects.</li> <li>→ Mentorship from industry experts.</li> </ul> <p>SIE fosters entrepreneurial thinking within higher education institutions, providing students with resources and guidance to turn ideas into viable businesses.</p>
<b>Entrepreneurial Education Pathways Fund</b>	<p>This fund supports projects aimed at delivering entrepreneurial education to school-age children (aged 18 or younger). It focuses on:</p> <ul style="list-style-type: none"> <li>→ Experiential learning opportunities outside traditional classroom settings.</li> <li>→ Partnerships between businesses and schools to inspire entrepreneurship through role models and mentors.</li> </ul> <p>The fund helps embed entrepreneurial education into Scotland's youth development framework, encouraging creativity, self-sufficiency, and personal initiative from an early age.</p>
<b>Bridge2Business</b>	Bridge2Business is the leading college enterprise programme delivered across Scotland. The aim of the programme is to inspire, connect and support college students aged 18-45 into business.





## Wales ↘

Wales demonstrates a strong commitment to fostering youth entrepreneurship through a comprehensive and long-standing strategy (Youth Enterprise Strategy) that spans from primary education to early career stages, with entrepreneurial education explicitly contained within the national curriculum. The integration of entrepreneurship support with mainstream career services (via Careers Wales) ensures wide reach and accessibility. Programmes like Big Ideas Wales and the 5-9 Club offer practical, hands-on experiences that are crucial for developing entrepreneurial skills. The availability of financial support through grants and the Development Bank of Wales addresses a key barrier for young entrepreneurs.

Despite these initiatives, Wales still faces challenges in cultivating a robust entrepreneurial culture. There is a need for more sustained support beyond the initial start-up phase, particularly in helping young entrepreneurs scale their businesses. In addition, while digital and AI-focused programmes are emerging, there may be a gap in preparing young entrepreneurs for rapidly evolving technological landscapes.

Wales has the potential to further enhance its youth entrepreneurship ecosystem by strengthening connections between educational institutions and the business community, perhaps through expanded mentorship programmes. There is an opportunity to leverage Wales's strong tech sector to create more specialised support for young tech entrepreneurs. The integration of entrepreneurship within the broader Young Person's Guarantee could be expanded to ensure that entrepreneurship is consistently presented as a viable career option. Finally, there is potential to develop more targeted support for underrepresented groups in entrepreneurship, ensuring that the benefits of these programmes reach all segments of Welsh youth.

Table 26 summarises a selection of key Welsh policies and programmes supporting youth entrepreneurship.

Table 23 - Midlands policies and programmes supporting youth entrepreneurship

Policy ↘	Description ↘
<b>Welsh Government support</b>	<p>Regional funding in Wales is available through government agencies. Grants are provided:</p> <ul style="list-style-type: none"> <li>→ Up to £2,000 available for young people aged 16-24</li> <li>→ Supports those living in or returning to Wales to become self-employed</li> </ul> <p>This financial support addresses one of the key barriers to youth entrepreneurship - access to initial funding. It provides a tangible boost for young people ready to start their entrepreneurial journey.</p> <p>The Young Person's Guarantee provides:</p> <ul style="list-style-type: none"> <li>→ Overarching initiative integrating various youth-focused programmes</li> <li>→ Includes entrepreneurship support alongside other career development opportunities</li> </ul> <p>This holistic approach ensures that entrepreneurship is presented as a viable career option alongside traditional employment, providing young people with a comprehensive view of their potential paths.</p>
<b>Business Wales</b>	<p>Business Wales acts like a Growth Hub and provides information on the types of finance available to SMEs in Wales and how to apply, from bank loans to equity finance. It also offers loans between £1,000-£50,000 for SMEs in Wales. Flexible packages are available depending on business needs, with support from a local account manager.</p>
<b>Development Bank of Wales</b>	<p>Regional funding in Wales is available through the Development Bank of Wales. Micro loans of up to £100,000 are offered with reduced eligibility requirements, and loans over £100,000 are also offered with more traditional eligibility requirements.</p>
<b>Youth Entrepreneurship Strategy (YES) and Big Ideas Wales</b>	<p>YES continues to guide Welsh Government's approach to youth entrepreneurship</p> <ul style="list-style-type: none"> <li>→ Big Ideas Wales, a key component, includes: <ul style="list-style-type: none"> <li>o Bootcamp to Business: 2-day residential programme for 18-25 year olds</li> <li>o Role Models: Successful entrepreneurs sharing experiences</li> <li>o Enterprise Troopers Primary School Competition</li> </ul> </li> <li>→ Integration with Careers Wales since April 2023 for school delivery</li> </ul> <p>This long-standing strategy provides a comprehensive framework for fostering entrepreneurial skills and mindsets from primary school through to early career stages. The integration with Careers Wales enhances its reach and aligns entrepreneurship with broader career development.</p>

Policy ▾	Description ▾
Business Wales Accelerated Growth Programme	<p>This delivers:</p> <ul style="list-style-type: none"><li>→ Start-Up Accelerator Programme: 10-week virtual programme launching May 13, 2025</li><li>→ Focus on AI and innovation in business development</li><li>→ Tailored support to transform ideas into operational businesses</li></ul> <p>This programme addresses the evolving needs of young entrepreneurs, particularly in the tech and innovation sectors. Its virtual format and focus on AI prepare participants for the future of business in a digital economy.</p>
5-9 Club	<p>This is an after-hours program that was launched in January 2024.</p> <ul style="list-style-type: none"><li>→ Targets young people aged 16-24</li><li>→ Covers idea generation, business planning, and pitching</li><li>→ Collaboration between Welsh ICE and local councils</li></ul> <p>This initiative provides accessible, practical entrepreneurship education outside of traditional education settings, catering to young people who may be working or studying during standard hours.</p>

## Appendix E:

# GVA calculation methodology

Youth entrepreneurship currently contributes between £8.73 and £14.45 billion of GVA to the UK economy. If young entrepreneurs improved their productivity to match the USA's level, then between £9.12 and £10.39 billion could be added to the UK economy.

This methodology estimates the potential GVA from youth entrepreneurship for the entire UK, as well as the individual underrepresented groups. This replicates the methodologies used in estimating the potential additional GVA from increasing female, ethnic minority, and disabled entrepreneurship used in the 'Rose Review', 'Time to Change', and the 'Lilac Review'.

These methodologies are then used considering the entire 16-25 population, and then accounting for additional potential benefits through considering intersections with underrepresented groups. The results from this analysis, whilst they are not statistically significant, are indicative of the potential benefits from increasing youth entrepreneurial skills and activity across the UK.

The results also only consider the potential GVA from increased and more productive youth-led business creation. There are likely more potential benefits than this analysis considers.

**For example, Shaw and Sorenson (2022) show that young founders in Denmark who become serial entrepreneurs see their sales revenues nearly double between their first and second firms.**

Furthermore, for small businesses, the productivity of the businesses is often also the productivity of the founder, so just as the personal productivity of wage earners rises with age over their lifecycles, so too does the personal productivity and implied income of young entrepreneurs.

The total GVA from youth entrepreneurship is calculated using the following equations:

$$GVA_{YE(current)} = (\sum n_{YE}) * \left( \frac{GVA_{YE}}{\text{entrepreneur}} \right)$$

The GVA/entrepreneur varies across sectors and industries, and this analysis takes this into account using SIC-designations. The GVA multiplier of each industry is considered to incorporate spillover effects, as the equation below demonstrates. This calculation gives the average GVA/business across industries and underrepresented groups in the UK. Using British Business Bank reports, FSB reports, and HM Parliament briefings analysis of the productivity of entrepreneurs by ownership, the analysis uses the median productivity/entrepreneur to calculate the GVA/entrepreneur. These statistics are inflation-adjusted using HM Treasury Green Book guidance for the purposes of this analysis.



$$\left( \frac{\text{GVA}}{\text{entrepreneur}} \right) = \text{Multiplier} * \frac{\text{median productivity}}{\text{entrepreneur}_{(\text{underrepresented group})}}$$

There is data available on the total youth self-employed population by SIC industry from Annual Population Survey datasets, and this is used to estimate the total number of youth-owned businesses in each industry, and their GVA contribution. This is constrained to high-level industry classifications, and particular sub-sector and occupations cannot be isolated due to the lack of data.

Whilst direct data is not available on the proportion of young entrepreneurs from each underrepresented group, it is possible to estimate this through using data from the British Business Bank reports, FSB reports, and HM Parliament briefings, as well as Annual Population Survey statistics for self-employment. This allows for the analysis to avoid double-counting through properly accounting for intersectionality.

The potential youth GVA calculation considers if youth entrepreneurs were 50%<sup>48</sup> as productive as entrepreneurs on average, as in the USA. This calculation also considers if the productivity of underrepresented groups in youth entrepreneurship reached the same level of productivity as their white, male counterparts.

$$\text{GVA}_{\text{YE (potential)}} = \left( \sum n_{\text{YE}} * \frac{\text{TEA}_{\text{USA}}}{\text{TEA}_{\text{UK}}} \right) \left( 0.5 * \text{E.} \frac{\text{GVA}}{\text{business}} \right)$$

To account for additionality effects such as displacement, substitution, and deadweight, an additionality multiplier of 0.62 is applied using HM Treasury Green Book guidance.

The final potential GVA of total youth entrepreneurship is estimated into high and low projections in the table below:

	GVA (low) (billions)	GVA (estimate) (billions)	GVA (high) (billions)
Current	£8,73	£11,59	£14,45
Potential	£17,85	£21,35	£24,84
Difference	£9,12	£9,76	£10,39

48 This percentage is estimated from Azoulay et al. (2020) study into the productiveness of start-ups by the age of ownership, which finds that entrepreneurs in their 30s and 40s are most likely to succeed. The average age for a founder is 45.5. A founder at age 50 is approximately twice as likely to experience a successful exit compared to a founder at age 30. Similar to the exit results, a founder at age 50 is approximately twice as likely to achieve upper-tail employment growth compared to a founder at age 30.

The final potential GVA of total youth entrepreneurship is divided by underrepresented groups in the table below:

Group of 16-25 population	Current total GVA (billions)	Potential total GVA (billions)	Difference (billions)
Total	£11.59	£21.35	£9.76
Black male (excluding SEND)	£0.18	£0.50	£0.31
Black female (excluding SEND)	£0.08	£0.29	£0.21
Asian/Other male (excluding SEND)	£0.33	£0.67	£0.33
Asian/Other female (excluding SEND)	£0.05	£0.39	£0.34
White male (excluding SEND)	£8.49	£10.13	£1.64
White female (excluding SEND)	£2.00	£5.95	£3.96
Young people with SEND	£0.45	£3.41	£2.96

# Appendix F: Potential support for young entrepreneurs from underrepresented groups

## Potential support for young female entrepreneurs ▾

This section details potential support for young female entrepreneurs.

### Training and Coaching ▾

As noted in the GEM 2023/2024 Women's Entrepreneurship Report, there is need to support female entrepreneurs with entrepreneurial skills development activities such as training and coaching. Nearly four out of ten women in the EU (38%) reported during the period 2016-20 that they had the skills and knowledge to start a business, relative to 50% of men.

Studies also show that, although girls are interested in science-related careers as equally as boys at a young age, they tend to deviate from Science, Technology, Engineering and Mathematics (STEM) topics as they grow up.

In the UK women make up just over 50% of the workforce but only a quarter of workers in the science and technology sector.<sup>49</sup> Only 14% of engineers and 16% of ICT professionals are women.<sup>50</sup> Retention of female engineers is poor, with 57% leaving the profession before the age of 45 (compared with 17% of men)<sup>51</sup>. In academia, only one-third of non-medical STEM staff are female; in electrical, electronic and computer engineering departments this figure is just 16%.<sup>52</sup>

Digital literacy and STEM training and work experience programmes tailored to women's needs should evolve in traditional STEM sectors and with more scaling-up opportunities. There are some flexible online learning platforms with instructor guided lessons (LinkedIn Learning, MOOCs [Massive Open Online Courses], W3Schools), but policies that are targeted at promoting STEM and digital technology training for girls and women will enhance their interest in innovative business models.

### Funding ▾

According to British Business Bank data<sup>53</sup>, women entrepreneurs continue to face significant barriers in accessing growth finance. Despite accounting for a growing proportion of new business founders, female entrepreneurs consistently receive less than 2% of the UK's multi-billion-pound venture capital funding each year.

The Women Angel Impact report<sup>54</sup>, found that although £2.34 billion was invested over the past decade through deals involving female angel investors. Despite this investment supporting over 4,000 businesses and creating 10,000 jobs, women remain underrepresented and make up only 14% of the angel investment community. Importantly, female investors are twice as likely to invest in female-led enterprises compared to their male counterparts, underlining the critical need to increase the number of female VCs/Angels and for more male investors to invest in women.

49 British Science Association. (2020). Inquiry on equity in STEM education, Final report. All Party Parliamentary Group on Diversity & Inclusion in STEM.; WISE Campaign. (2019). 2019 workforce statistics—One million women in STEM in the UK. Wise website.

50 BCS. (2020). BCS diversity report 2020: ONS analysis. BCS.

51 RAE. (2020). Strategy 2020–2025: Engineering for a sustainable society and inclusive economy. Royal Academy of Engineering

52 HESA. (2023). Higher Education staff data

53 [British Business Bank, Small Business Equity Tracker \(2023\)](#)

54 [Beauhurst, UKBAA, and NatWest Group's Women Angel Insights Report \(2022\)](#)

To close this gap, policy efforts should focus on three fronts. Firstly, increase representation by expanding training, incentives and pipeline support to grow the number of female venture capitalists and angel investors. Secondly, to change investment behaviour by introducing targeted inclusion standards to encourage more non-female-led VC firms to back female entrepreneurs. Thirdly, to diversify funding models that move beyond high-risk, high-return pitch competitions. Traditional competitive pitch formats have been shown to favour traits more commonly associated with male founders, and can unintentionally disadvantage women.

Without these shifts, the UK risks missing out on the full potential of its female entrepreneurial talent pool, around £250 billion if women started and scaled businesses at the same rate as men.

## Role models, networks, and mentors ↴

Increasing the accessibility of relatable role models and mentors, and promoting business associations and networks to young people are highly valuable. Access to these support activities can help women entrepreneurs scale their businesses by connecting them with peers and industry leaders.

## Policy ↴

Entrepreneurship offers a unique path for the career development of young women, addressing labour market challenges, promotion gaps, and career options. Policies that support working mothers (e.g. affordable childcare options, parental leave policies for both parents), that reduce gender bias, and that reduce gender-based discrimination are necessary to ensure proper support for aspiring young female entrepreneurs moving forward.

## Potential support for young entrepreneurs from ethnic minority backgrounds ↴

This section details potential support for young entrepreneurs from ethnic minority backgrounds.

## Training and Coaching ↴

As noted in the Time to Change report, there is need to support young entrepreneurs from ethnic minority backgrounds to reduce barriers to access entrepreneurial skills development activities such as training and coaching.

Evidence suggests that entrepreneurs from ethnic minority backgrounds tend to prefer informal sources of support, such as family and friends, and are less likely to use formal and publicly funded business support services. Informal support, while valuable, can constrain entrepreneurs from ethnic minority backgrounds from seeking wider and additional support to help them grow.

However, inappropriate support and short-termism of many mainstream or targeted support initiatives are often cited as key reasons for Entrepreneurs from ethnic minority backgrounds' disengagement from, or low uptake of, formal business support services.

Trusted and appropriate support is important to increase Entrepreneurs from ethnic minority backgrounds' uptake of formal services. Yet support providers may lack the knowledge and resources needed to establish trust-based relationships and to provide relevant support.

Partnership working with ethnic minority-led organisations and anchor institutions with existing links to minority communities, such as libraries, universities and civil society groups, can enable local support providers to create a stronger network of support that responds to Entrepreneurs from ethnic minority backgrounds' needs and instils trust.

## Funding ↴

The lack of personal wealth at the start-up stage has a significant negative impact on entrepreneurial outcomes, and ONS data shows that ethnic minorities in the UK on average have less personal wealth. Many turn to external finance to help them realise their entrepreneurial ambition. Although entrepreneurs from ethnic minority backgrounds in the UK have broadly equal access to bank finance products, ethnic minority business owners are more likely to think it is difficult to access finance and are often discouraged from applying for finance for fear of rejection.

The perception of barriers itself is a major obstacle, potentially preventing many ambitious entrepreneurs who would otherwise be accepted for finance from seeking support they need to develop.

## Role models, networks, and mentors ↴

Increasing the accessibility of relatable role models and mentors, and promoting business associations and networks to young people are highly valuable. Access to these support activities can help young entrepreneurs from ethnic minority backgrounds scale their businesses by connecting them with peers and industry leaders.

Although ethnic minorities in the UK are a highly diverse group, increasingly entering a wider range of sectors and business activities, some groups have historically concentrated in particular economic areas.<sup>55</sup> Entrepreneurs from ethnic minority backgrounds often operate in a comparatively narrow range of traditional sectors, such as catering and retail which in general have low barriers to entry.<sup>56</sup> In many cases, these businesses operate within highly saturated and competitive co-ethnic markets, limiting their growth potential.

While some businesses succeed in breaking out into wider sectors or more profitable mainstream markets – for instance, through procurement opportunities in the supply chains of large purchasing organisations – there remains considerable scope for diversification into new markets.

In addition, there is a strong business case for creating more diverse supply chains – large purchasing organisations, especially in the corporate sector, must be accountable for their engagement with EMB suppliers to help them realise their growth ambitions.

55 Edwards, P., Ram, M., Jones, T. and Doldor, S. (2016) 'New migrant businesses and their workers: developing, but not transforming, the ethnic economy', *Ethnic and Racial Studies*, 39(9): 1587-1617

56 Barrett, G. A., Jones, T. P. and McEvoy, D. (2001) 'Socio-economic and policy dimensions of the mixed embeddedness of ethnic minority business in Britain', *Journal of Ethnic and Migration Studies*, 27:2, 241-258.

## Policy ↘

Entrepreneurship offers a unique path for the career development of young people from ethnic minority backgrounds, addressing labour market challenges, promotion gaps, and career options. Policies that support young people from ethnic minority backgrounds to access support, that reduce racial bias, and that reduce race-based discrimination are necessary to ensure proper support for aspiring young entrepreneurs from ethnic minority backgrounds moving forward.

Increasing the growth of entrepreneurs from ethnic minority backgrounds requires quality support that meets the specific needs of communities. Long-term initiatives that provide more comprehensive, intensive and targeted packages of support have proven successful in attracting and advancing entrepreneurs from ethnic minority backgrounds. Yet support for entrepreneurs from ethnic minority backgrounds in the UK tends to be fragmented and short-lived.

Black Lives Matter and the Covid-19 pandemic have exposed the structural inequalities that still exist and continue to disadvantage ethnic minority communities in the UK.

The Scottish and Welsh governments have taken active measures to tackle racism and provide better support for entrepreneurs from ethnic minority backgrounds – for example, by setting procurement targets or encouraging partnership working. However, there is currently a lack of UK-wide leadership to promote and support inclusive entrepreneurship across all nations and regions.

International examples of best practice show governments in countries such as Canada, Germany, and the United States in the past successfully playing an active role in promoting and co-funding collaborative cross-sector support initiatives aimed at entrepreneurs from ethnic minority backgrounds. Many of these initiatives have proven to be successful in offering more comprehensive, intensive and tailored services while also ensuring long-term financial sustainability of support.

## Potential support for young entrepreneurs with SEND ↘

### Training and Coaching ↘

As noted in the Lilac Review, there is need to support young entrepreneurs with SEND with access to entrepreneurial skills development activities such as training and coaching. Any training and coaching must take into account the specific needs of these young aspiring entrepreneurs.

Accessible and adaptable learning tools needed to acquire technical skills (e.g., simplified processes or alternative methods for managing finances and communication). Self-directed and flexible resources for upskilling are therefore seen as especially useful for entrepreneurs with SEND needs.

### Funding ↘

The gateways putting off founders with SEND are acknowledged in the Innovate UK funded research by the Innovation Caucus that acknowledges the low level of Disabled founders applying for grants.



As suggested through the Lilac Review, entrepreneurs with SEND were clear that they wanted better access to finance, but the broader business support landscape was overall more of a priority.

Many said they were unable to complete the necessary forms in the timeframe without assistance, which led to a sense of frustration and low self-worth. The Deaf entrepreneurs in particular discussed making financial services more accessible, and the accessibility of communication channels was a reoccurring theme.

For a number of participants, this unease has created a perception of needing to preserve mental and physical health over applying for benefits and support. For these entrepreneurs, there are clear examples of where this is leading them to miss out on opportunities for support available to others.

Support to write business plans and to stimulate sustained growth is a key need. This needs to be driven by an understanding of how capacity to work may fluctuate. Entrepreneurs feel this would lead to more confidence in applying for finance and ultimately reduce their dependency on welfare support.

## Role models, networks, and mentors ↘

Increasing the accessibility of relatable role models and mentors, as well as promoting business associations and networks to young people are highly valuable. Access to these support activities can help young entrepreneurs with SEND scale their businesses by connecting them with peers and industry leaders.

Mentoring came up repeatedly as a need in the Lilac Review, specifically designed for Disabled entrepreneurs. Entrepreneurs want opportunities to network, but without barriers such as travel, balancing energy for the day, too much standing up, name tags that are hard to read for the visually impaired, and challenges experienced by those who struggle in group situations.

## Policy ↘

Entrepreneurship offers a unique path for the career development of young people with SEND, addressing labour market challenges, promotion gaps, and career options.

Policies that support young people with SEND to access support, that reduce bias, and that reduce ability-based discrimination are necessary to ensure proper support for aspiring young entrepreneurs with SEND needs moving forward.

There is also a need to reduce administrative burden on aspiring entrepreneurs with SEND, especially in regard to the welfare system. The burden of this annual process of proof is placing huge pressure on Disabled founders and is also creating cost and workload for the Government.

## Potential support for young entrepreneurs from non-university educated backgrounds ↘

### Training and Coaching ↘

There is need to support young entrepreneurs coming from non-university educated backgrounds with entrepreneurial skills development activities such as training and coaching. Much of the challenges faced by this underrepresented group overlap significantly with other groups explored earlier. This is due to the clear link between birth characteristics and the likelihood of experiencing socio-economic deprivation.

Due to experiences of traditional schooling that may deter entrepreneurs who did not go to university, it is preferable to deliver specific, practical entrepreneurial skill-focused education in particular.

### Funding ↘

Those coming from lower educational attainment, both in the UK and further afield, typically experience a range of additional obstacles, such as a lack of money, time, facilities (including access to technology), support, as well as social exclusion due to entering the job market earlier. Such individuals are often ignored in business support schemes. They may also face other challenges, such as caring responsibilities, and mental or physical health issues. Uncertainty about the future and the fear of failure may be too great to risk.

There is a need for more accessible funding schemes that take into account external circumstances and commitments. The aspiration gap also must be tackled, as many aspiring entrepreneurs without a degree feel they cannot start a business successfully and so do not apply for support or funding.

### Role models, networks, and mentors ↘

The lack of role models, low self-esteem, and ingrained beliefs about prospects and potential, can limit individuals' aspirations, may prevent any consideration of entrepreneurial activities and therefore limit earning potential. Entrepreneurship can offer an alternative route to achieving higher income, especially if the appropriate support is provided (Morris et al., 2020).

Increasing the accessibility of relatable role models and mentors, and promoting business associations and networks to young people are highly valuable. Access to these support activities can help young entrepreneurs coming from non-university educated backgrounds scale their businesses by connecting them with peers and industry leaders.

## Policy ↴

Entrepreneurship offers a unique path for the career development of young people coming from non-university educated backgrounds, addressing labour market challenges, promotion gaps, and career options. Policies that support young people coming from non-university educated backgrounds to access support, that reduce class-based bias, and that reduce class-based discrimination are necessary to ensure proper support for aspiring young entrepreneurs coming from non-university educated backgrounds moving forward.

There is also a need to include entrepreneurial education earlier on in the educational journey. Much of entrepreneurial education is currently delivered at a HE level, and in some FE colleges. More integration and exposure to entrepreneurial skills is needed in primary and secondary education (alongside HE and FE).

## Appendix G: Case Studies

**Case Study 1** offers an insight into how supporting young people to access entrepreneurial skills support can lead to improved employment outcomes for those who are NEET.

### CASE STUDY 1 ▾

#### Young Entrepreneurs Succeed! (YES!)

Development Agency of Karditsa (ANKA, Greece), Microfinanza (Italy), Youth Business Poland (Poland) and Autoocupació (Spain)

#### What?

Young Entrepreneurs Succeed! (YES!) was launched in 2018 to promote youth entrepreneurship in Greece, Italy, Poland and Spain. It is sponsored by Iceland, Liechtenstein, and Norway through the EEA and Norway Grants Fund for Youth Employment.

#### Why?

YES! aimed to target young people who are not in employment, education or training (NEETs) to provide them with entrepreneurial skills to improve employment outcomes.

#### How?

- The project was built around a series of entrepreneurship training courses.
- Many of the partner organisations also offered coaching and mentoring opportunities to those participating in the training to support the identification of start-up finance.
- There are some variations in the training offers across the four countries as some short courses are designed for specific groups and/or sectors. For example, the training provider in Greece developed a professional make-up training for young Roma women to meet client demand.
- One of the unique elements of the YES! project is that it includes an online peer-learning platform (“Thinking Space”) that offers resources for young entrepreneurs according to a range of themes such as NEETs and the future of work.

#### Outcomes

- 49 entrepreneurship training courses were delivered to more than 1,100 young people between 2018 and 2021.
- In Greece, nearly 15% of NEETs participating in training moved into self-employment, employment or education by the end of the project. Similarly, 34% of NEET participants with university degrees in Spain and 44% in Poland were no longer NEETs at the end of the project.

**Case Study 2** demonstrates entrepreneurial support for businesses looking to prioritise environmental or social impacts.

## CASE STUDY 2 ▾ Green Skills for Work and Business

### Black South West Network

#### What?

The Green Skills programme is aimed at those interested in setting up their own sustainable business or social enterprise by providing funded training programmes.

#### Why?

The Green Skills Programme is designed to enable young, underrepresented Black and Minoritised talent between 18 and 28 to explore green sector opportunities, and bridge structural divides.

#### How?

- Participants are paid the National Living Wage for 8 days as they train and have travel expenses covered. This programme offers:
- Skills bootcamps for leadership, employment, and networking skills, how to set up an ethical business or social enterprise, and an intro to green topics and businesses.
- Following training completion, participants are offered:
- Funded opportunities after the training - growing a business idea, fully paid internships, or further training.
- Roundtables with industry and community leaders to access networks and knowledge.
- Accessing tailored career advice, coaching, and mentoring.

#### Outcomes

The Green Skills for Work and Business programme is onto its sixth cohort, producing 11 businesses in 2023.

**Case Study 3** demonstrates a programme that aimed to tackle these perceived skills gaps and increase the confidence of young people to start businesses.

## CASE STUDY 3 ▾

### #Youth Empowered

Youth Action NI, Coca-Cola, HBC Ireland and Northern Ireland, Youth Work Ireland

**What?** #Youth Empowered is a national programme providing 12 regional skills building days for 600 young people aged 16 – 25 years.

**Why?** This project was designed to inspire and raise the aspirations of young people, by giving them access to the ‘life skills’ and ‘business skills’, that employers look for in prospective job candidates.

**How?**

- These one-day skills building events are practical workshops to help young people build their life and business skills.
- The ‘Life Skills’ module focused on improving self-knowledge and confidence, whilst the ‘Business Skills’ modules covered key competencies including; project management, time management, business skills, financial literacy, sales skills and negotiation.

**Outcomes**

- 75% of young people said the skills day helped them with their business ideas
- 75% said they had learned new skills to help them get a job
- 69% said they felt more confident about applying for a job and attending an interview
- 84% felt more confident about their future
- 92% said they were more motivated and more determined to achieve.



Case Study 4 demonstrates the type of entrepreneurial support that can improve awareness of potential enterprise routes amongst young people across the UK.

<div>CASE STUDY 4 ▾</div> <div>Bridge2Business</div> <div>Young Enterprise Scotland</div>	
What?	Bridge 2 Business offer advice, mentoring, funding, and contacts to students studying at college who are looking to start a business.
Why?	The Bridge 2 Business programme offers a range of services to inspire, connect & support Further Education college students into, and through enterprise across Scotland.
How?	<div>→ Opportunity to develop their network and opportunities through engaging with appropriate entrepreneurial role models and mentors. The role models and mentors are relevant to college students, sharing a similar background and lived experience.</div> <div>→ Regular workshops, 1-1 support, ‘Test the Market’ grants, international trips, enterprise roadshows and spin off projects such as #femaleboss and The Social Innovators Challenge.</div>
Outcomes	In the past ten years, the Bridge 2 Business (B2B) programme has grown from being based within one Glasgow college to now having an impact across Scotland, with 10,000 student interactions in the 2023/24 academic year.

**Case Study 5** demonstrates the type of entrepreneurial support that is accessible for new businesses across the UK.

## CASE STUDY 5 ▾

### AD:VENTURE Programme

The West Yorkshire Combined Authority, Leeds City Council (Lead partner and accountable body), Bradford Council, Calderdale Council, Kirklees Council, Wakefield Council, The Business Enterprise Fund, The Prince's Trust

<b>What?</b>	The AD:VENTURE programme provides fully funded business support to new businesses in West Yorkshire who are under 3 years old.
<b>Why?</b>	AD:VENTURE aims to help new and young firms identify issues that cause failure or prevent growth in the early years and provide support to increase capability to overcome failure within the first three years.
<b>How?</b>	<ul style="list-style-type: none"> <li>→ The programme provides access to a dedicated business manager who acts as a mentor for as long as needed.</li> <li>→ Events and workshops on key growth topics and skills, network building opportunities, connections, peer-to-peer sessions, and inspirational events.</li> <li>→ The AD:VENTURE Growth Grant is available between £1,500 - £10,000 to support growing companies with their capital expenditure for growth projects. Growth grants are match funded.</li> <li>→ The Business Enterprise fund are partners and offer a variety of loans for start-up and growth, with start-up loans available for new businesses at a competitive rate of 6%.</li> </ul>
<b>Outcomes</b>	AD:VENTURE has been helping businesses since 2016, with over 2,000 businesses receiving support and over 800 new jobs created by the programme.

## Case Study 6 shows the success in supporting entrepreneurs longer-term.

### CASE STUDY 6 ▾ Launch It

#### Launch It UK Trust

#### What?

Launch It is a series of enterprise hubs across the UK that provide a two-year support programme for young people from 18-30 to start or grow a business

#### Why?

Their aim is to provide young people with the opportunity to build confidence and earn an income doing something they find inspiring and interesting, whilst also gaining vital skills to enable them to succeed in life through self-employment.

#### How?

- Co-working space
- Funding opportunities, partnership-driven pitching competitions & events.
- Regular workshops and training sessions with business leaders, companies and groups.
- Accredited on-site enterprise managers assist participants through their journey.
- Volunteer mentors are assigned based on shared lived experience to share knowledge & expertise, guide and inspire.
- A supportive community of like-minded peers to exchange ideas, learn from and grow with, beyond the end of formal support.

#### Outcomes

Growing from a solitary hub in Deptford, Launch It is now active across seven Launch It centres across the UK, helping over 12,000 young people to start a business with 70% still active after 2 years.

**Case Study 7** demonstrates the success of a programme aimed at increasing access to finance for groups perceived as being high-risk borrowers.

## CASE STUDY 7 ▾

### Invest EU

#### European Investment Fund

##### What?

InvestEU provides a guarantee for loans that both increases the access to and availability of finance for start-ups, and it also lowers the interest rate for repayment to make the loans more affordable.

##### Why?

To facilitate access to, and the availability of, finance to SMEs, which are perceived by mainstream lenders as being high risk or lacking sufficient collateral

##### How?

- SME Competitiveness Portfolio Guarantee Product aims to improve the competitiveness of enterprises by facilitating access to, and the availability of, finance to start ups and nascent businesses.
- Innovation and Digitalisation Portfolio Guarantee Product aims to support innovation and digitalisation driven enterprises, by enhancing access to finance to R&I intensive start-ups and nascent businesses
- Cultural and Creative Sectors Portfolio Guarantee Product aims to enhance access to finance for target final recipients in the cultural and creative sectors
- Microfinance and Social Portfolio Guarantee Product aims at enhancing access to finance for microfinance and social enterprises.

##### Outcomes

InvestEU has already facilitated €6.9 billion in loans for SMEs and startups who otherwise would struggle to access finance since it began. On the basis of the operations approved by the end of 2023, the InvestEU Fund is estimated to mobilise around EUR 218 billion in investment, of which EUR 141 billion (65%) is expected from private sources.

Case Study 8 and Case Study 9 offer examples of successful programmes connecting female entrepreneurs.

## CASE STUDY 8 ▾ ESTEAM

European Commission, European Innovation and SMEs Executive Agency (EISMEA), Deloitte, the European Women Association, and Vlajo

<b>What?</b>	The <a href="#">Entrepreneurship, Science, Technology, Engineering, Arts and Mathematics (ESTEAM) project</a> aims to empower women and girls in particular by boosting their digital and entrepreneurial competences and increasing their confidence to choose STEM career paths.
<b>Why?</b>	Nearly four out of ten women in the EU (38%) reported during the period 2016-20 that they had the skills and knowledge to start a business, relative to half of men.
<b>How?</b>	<ul style="list-style-type: none"> <li>→ ESTEAM Fests, community workshops, and activities upskill participants' digital and entrepreneurial competences but also their collaboration, creativity, problem-solving and public speaking skills.</li> <li>→ Following the ESTEAM Fests, ESTEAM online communities for women and girls are built to sustain the momentum of the events and to allow them to keep learning and connecting with their peers online.</li> <li>→ Information is shared with participants about ESTEAM career paths and flagship speakers are brought in to inspire participants by offering female role models who thrive in these domains.</li> </ul>
<b>Outcomes</b>	Throughout the 3-year duration of the project, 11 "ESTEAM Fests" are being organised in 19 EU Member States. To date, 4,500 girls and women have been supported through the ESTEAM program.

Case Study 8 and Case Study 9 offer examples of successful programmes connecting female entrepreneurs.

## CASE STUDY 9 ▾

### AwakenHub

What?	AwakenHub is a peer space for Irish women, offering enterprise support.
Why?	After seeing an increased demand from Irish women founders for a stronger community and support system, AwakenHub was created in July 2020.
How?	<ul style="list-style-type: none"> <li>→ AwakenHub meet online and in-person throughout the year as well as manage a closed online community for women founders with ambition to raise investment or scale.</li> <li>→ Big Sisters are role models and success stories who share their experiences with the wider community, offering advice and mentoring.</li> <li>→ Trade Missions – group trips to gain access to high-profile diaspora businesses, networks, Irish and British Consulates, prospective investors or those with a keen interest in supporting women founders looking to gain traction abroad.</li> </ul>
Outcomes	AwakenHub now has a mailing list of over 2,500 founders, Big Sisters, and allies who wish to support them. Having received funding, AwakenHub are now launching SheGenerate and SheScales business support programmes.



**Case Study 10** demonstrates a successful example of community-based microfinancing.

## CASE STUDY 10 ▾

### Self Employed Women's Association (SEWA)

**What?** The Self Employed Women's Association (SEWA) is a member-based organisation of women workers, with 3.2 million members spread across fourteen Indian states, as well as seven other countries (Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka).

**Why?** The vast majority of rural SEWA members are completely excluded from the formal financial sector. In other words, they are unable to access banks and other formal financial institutions

**How?**

- Organising women members into self-help groups (SHGs) to enable microfinancing, and educating them on the importance of collective saving and mutual support.
- Strengthening women's skills and capacities to encourage entrepreneurial growth.
- Encouraging capital formation at the household, group and community levels.
- Offering complementary support services to poor women to increase their social security and resilience such as skills for alternative livelihood generation and micro-enterprise development.

**Outcomes** Since the 1990s SEWA has facilitated the creation of over 13 000 self-help (savings) groups at village level and helped over 100 000 households access credit products.

**Case Study 11** shows an example of a successful programme to encourage youth entrepreneurship amongst those from non-university educated and socio-economic deprivation.

## CASE STUDY 11 ▾

### Rural youth entrepreneurs program

National Learning Service – SENA (Colombia)

**What?** The rural youth entrepreneurs program was a training program with a mix of classroom-based activity and practical activities that aimed to develop skills for carrying out productive projects and businesses in their local area.

**Why?** The program aimed to promote entrepreneurship by creating viable and sustainable small businesses to increase rural productivity and competitiveness, and to generate income for rural youth from low-income backgrounds, between 16 and 35 years old and other population groups that are in a vulnerable condition.

**How?**

- Co-developed training content and ideas for productive projects with local authorities and with the young beneficiaries themselves.
- Students were offered short-term training over five or six months to prepare to launch the project.
- Once the project was launched, SENA's entrepreneurship unit monitored it for four or five months.
- Following the formal completion of the programme, advice was still provided upon request, for example, including advice on how to prepare a formal business plan and access sources of financing to ensure the sustainability of the projects and businesses.

**Outcomes** This project was evaluated formally and found to have a positive effect on youth entrepreneurship, business creation, and youth employment. Participants were between 75% and 88% more likely to set up a business.

## Case Study 12 offers an example of integrated support models in the UK, and abroad.

### CASE STUDY 12 ▾ Social enterprise boost fund

Firstport, UK Government, Project North East

<b>What?</b>	The Social Enterprise Boost Fund grants help new social entrepreneurs in Sunderland and South Tyneside start and grow their businesses. There are three levels of funding available, depending on the stage and needs of the social entrepreneur/enterprise.
<b>Why?</b>	The grants are designed to help social entrepreneurs progress as their ideas develop.
<b>How?</b>	<ul style="list-style-type: none"> <li>→ Kickstart – These grants of up to £5,000 cover the costs of setting up a social enterprise or development costs such as training and equipment.</li> <li>→ Grow – Upon successfully completing a Kick Start grant, participants can go on to apply for a Grow grant of up to £5000 to take their idea further, demonstrating how it would allow develop or consolidate their idea.</li> <li>→ Try – They also provide some smaller grants of up to £1,000 to support very early-stage applicants who are not quite ready for Kickstart but could benefit from help to pilot an idea and explore its potential.</li> <li>→ Firstport also offer one-to-one support and workshops to support entrepreneurs alongside the grants.</li> </ul>
<b>Outcomes</b>	To date, the Boost Fund has made 80 awards and distributed £430,000 in funding. One-to-one support and workshops will continue to be available until the end of the programme in March 2025.

## Case Study 13 offers an example of convening entrepreneurial support ecosystems in the UK.

### CASE STUDY 13 ▾

### Delivering the Time to Change Agenda

#### NatWest Group and the Centre for Research in Ethnic Minority Entrepreneurship (CREME)

#### What?

The Time to Change Report<sup>57</sup>: A Blueprint for Advancing the UK's Ethnic Minority Businesses was published in 2022. The impact of Time to Change is being realised through the development of a voluntary network of engaged individuals and organisations—a 'coalition of the willing'—which CREME collaborates with to implement the report's recommendations.

#### Why?

Drawing on over 20 years of evidence, the report outlines 10 key recommendations aimed at fostering a more inclusive entrepreneurial ecosystem in the UK. By implementing these recommendations, the estimated impact includes increasing the annual economic contribution (GVA) of ethnic minority businesses (EMBs) from £25 billion to £100 billion.

#### How?

Acting as a catalyst, convener, and critical friend, CREME works closely with its Time to Change Pioneer Partners while also identifying future partners and engaging key stakeholders to advance the agenda. Since the report's launch in May 2022, CREME and NatWest Group have organised a series of regional events in cities including Milton Keynes, Cardiff, Bristol, Peterborough, and Bradford. These events have fostered engagement with a diverse range of stakeholders.

- West Midlands Combined Authority (WMCA)
- Be the Business (BtB)
- NatWest Bank
- Inclusive Entrepreneurship Northern Ireland (IENI)

Since May 2023, CREME and NatWest have jointly funded a Time to Change team, led by Professor Monder Ram (Director of CREME) and Julie Baker (Head of Strategic Partnerships at NatWest). In February 2024, they co-hosted the first UK Power of Partnerships event, which brought together policymakers, corporations, entrepreneurs, and academics to accelerate collective action in supporting diverse business communities.

<sup>57</sup> [Time to Change Report](#)

## Case Study 13 offers an example of convening entrepreneurial support ecosystems in the UK.

### Outcomes

A notable outcome includes the establishment of Bradford Business Together (BBT)—a collaboration between the University of Bradford’s School of Management and several partners—aimed at strengthening local business networks and promoting opportunities for diverse communities.

Other key milestones and achievements to date include:

- A commitment from the Mayor of the West Midlands to support the Time to Change agenda, including £270,000 in funding for five pilot community hubs.
- The establishment of the Black Business Collective within the Greater Birmingham Chamber of Commerce.
- The launch of the Time to Change initiative in Northern Ireland at Stormont in April 2024.
- Collaboration with Be the Business to enhance mentor induction for the Strive programme, supporting EMBs.
- NatWest’s sponsorship of the BBI MBA, a programme designed for Black entrepreneurs.
- NatWest’s partnership with Black Seed Ventures, a fund dedicated to Black business founders in the UK.

## Case Study 14 offers an example of mentoring and business consultancy for underrepresented groups in the UK

### CASE STUDY 14 ▾ Visionnaires

Capital City College Group, NCG, South Thames College Group, United Colleges Group, Unloc, & Break Into Business

<b>What?</b>	Visionnaires is a community interest company providing inclusive, practical help and mentoring from experienced entrepreneurs.
<b>Why?</b>	500,000 'hidden entrepreneurs' want to start a business but do not know how to start. Many of these are Women, Black, and other minorities, who are under-represented as entrepreneurs. Visionnaires aims to support a diverse group of entrepreneurs to navigate their journeys and overcome barriers.
<b>How?</b>	<ul style="list-style-type: none"> <li>→ 70 coaches and mentors supporting over 1000 participants to date.</li> <li>→ "Explore" seminars for people thinking about options for a new business or self-employment.</li> <li>→ 4 day "Start" programmes open to participants over the age of 19 who have an idea for a business or self-employment, or have recently started in collaboration with Capital City College Group.</li> <li>→ "Grow" incubator for businesses that are ready to take the next step in collaboration with Capital City College Group.</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>→ 2/3 of entrepreneurs supported are women.</li> <li>→ 50% of entrepreneurs supported are from Black, Asian, or other minority ethnic backgrounds.</li> <li>→ 90% of participants rate the overall experience as excellent.</li> <li>→ 68% of participants rated themselves as having high/very high confidence to start a business at the end of the programme, compared with 20% before.</li> <li>→ 73% felt confident describing their business to a customer, compared with 18% before.</li> <li>→ 20% of participants went on to trade profitably.</li> </ul>





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