



Opinion Poll

Millennials Identify Student Debt, Retirement Savings as Barriers to Entrepreneurship

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Executive Summary

In every aspect of building a thriving society and economy—from addressing long-term unemployment to providing high quality jobs—American entrepreneurship represents a pathway to success, particularly among young Americans who struggled to get their foot in the door during the Great Recession. However, there are barriers that exist for young people who have dreams of being their own boss. New scientific polling shows the majority of millennials (ages 18-34) who own a business or would like to start one at some point say student debt and a lack of retirement savings plan are barriers to entrepreneurship.

A national scientific opinion poll¹ conducted for Young Invincibles and Small Business Majority by North Star Opinion Research found that the majority of millennials (51%) either own a business or organization, are planning to start a business, or would like to but do not currently have plans to do so.

When it comes to starting a business, millennials identify student debt and lack of an employer-sponsored retirement plan as financial barriers to entrepreneurship. Nearly half (48%) of millennials paying off student debt who currently own or have plans to own a business say their student loan payments have impacted their ability to start a business. And nearly 4 in 10 (38%) millennials who are interested in opening a business but have no current plans to do so say their student loan payments affect their ability to start a business.

Of those who are still paying off student loans, 43% of those who own or have current plans to own a business, and 38% who would like to own a business but have no current business plans, say their student debt affects their ability to invest in an organization or hire new employees.

What's more, three-quarters (75%) of millennials who own, plan to own, or would like to own a business say the lack of an employer-sponsored retirement plan is a barrier to entrepreneurship, with more than a third (36%) who say this is a *serious concern*.

Additionally, concern on this point is higher among those still paying off student loans (81%) than among those who are not currently paying off student loans (70%). Four in 10 respondents still paying off loans say this is a *serious concern*.

Lastly, the vast majority (76%) of millennials who own a business or organization started it themselves, while only 12% say they inherited their business and 8% received it through marriage or a gift.

¹ <http://www.smallbusinessmajority.org/small-business-research/entrepreneurship/millennials/Millennial-Highlights-re-Entrepreneurship.pdf>

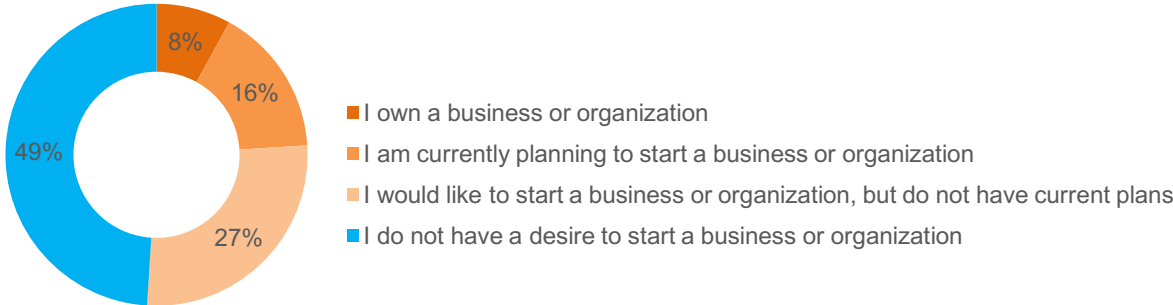
Main Findings

- **Majority of millennials own or would like to start a business or organization at some point:** The majority of poll respondents (51%) own or would like to own a business someday. Eight percent already own a business, 16% are currently planning to start one and 27% would like to start a business or organization but do not have current plans to do so.
- **Among millennials still paying on student loans who own or who have plans to own a business, nearly half say those loans are a barrier to entrepreneurship:** Nearly half (48%) of millennials paying off student debt who currently own or have plans to own a business say their student loan payments have impacted their ability to start a business. Nearly 4 in 10 (38%) millennials who are interested in opening a business but have no current plans to do so say their student loan payments affect their ability to start a business.
- **Millennials still paying on student loans say their student debt affects their ability to invest in an organization or hire new employees:** Of those who are still paying off student loans, 43% of those who own or have current plans to start a business and 38% who would like to own a business but have no current business plans say their student debt affects their ability to invest in an organization or hire new employees.
- **Vast majority of millennials who own or would like to start a business say the lack of an employer-sponsored retirement plan is a serious concern when considering to start a business:** Three-quarters (75%) of millennials who own, plan to own, or would like to own a business say the lack of an employer-sponsored retirement plan is a barrier to entrepreneurship, with more than a third (36%) who say this is a *serious concern*.
- **Concern about lack of retirement savings is higher among those still paying off student debt:** More than 8 in 10 (81%) respondents who are still paying off student loans say the lack of an employer-sponsored retirement plan is a concern when considering starting a business, with 4 in 10 stating this is a *serious concern*.
- **Three-quarters of millennials who own a business or organization started it themselves:** 76% of millennial business owners started their business themselves, while only 12% say they inherited their business and 8% received it through marriage or a gift.

Majority of Millennials Own or Would Like to Own a Business Someday

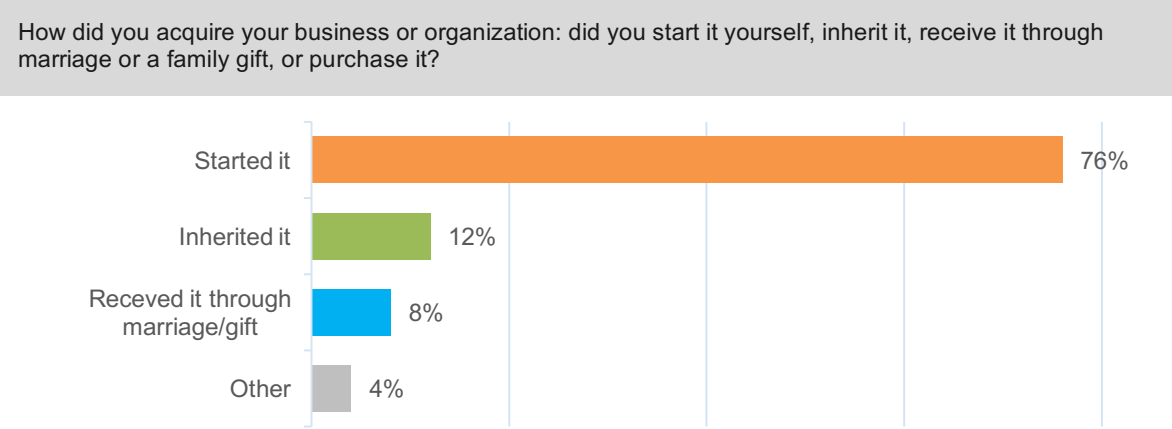
Interest in entrepreneurship is strong among millennials. The majority of poll respondents (51%) own or would like to own a business someday. Eight percent already own a business, 16% are currently planning to start one and 27% would like to start a business or organization but do not have current plans to do so.

Figure 1: Majority of millennials currently are or would like to become entrepreneurs



Additionally, three-quarters of millennials (76%) who own a business or organization started it themselves, with only 12% inheriting their business and 8% receiving it through marriage or a gift.

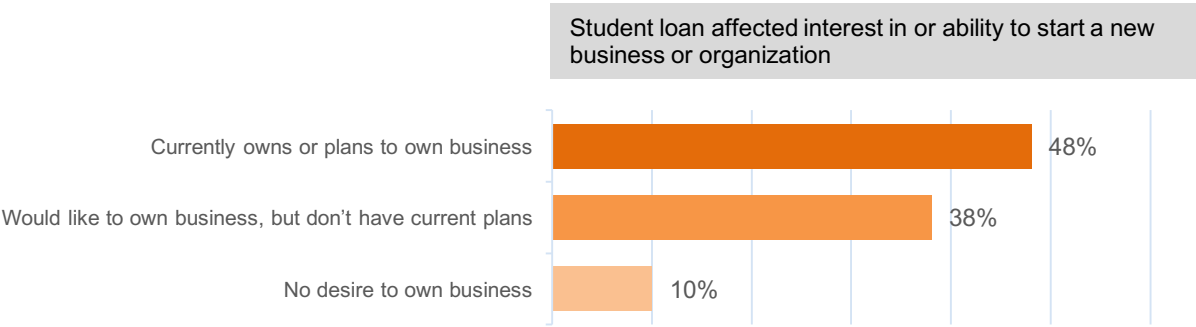
Figure 2: Vast majority of millennial entrepreneurs started their business themselves



Millennial Entrepreneurs Identify Student Debt, Lack of Retirement Savings as Barriers to Entrepreneurship

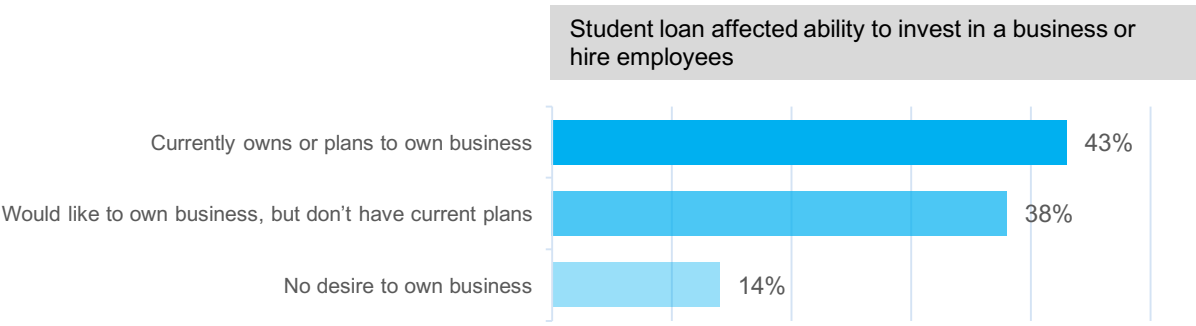
Polling found that among millennials still paying on student loans who own or who have plans to own a business, nearly half say those loans are a barrier to entrepreneurship. Forty-eight percent of millennials paying off student debt who currently own or have plans to start a business say their student loan payments have impacted their ability to open up shop. Nearly 4 in 10 (38%) millennials who are interested in opening a business but have no current plans to do so say their student loan payments affect their ability to start a business.

■ **Figure 3: Nearly half of millennials who own or have plans to own a business say their student debt is a barrier to entrepreneurship**



Additionally, millennials who are still paying on student loans say their student debt affects their ability to start a business or hire new employees, if they're currently business owners. Of respondents who are still paying off student loans, 43% of those who own or have current plans to own a business, and 38% who would like to own a business but have no current business plans, say their student debt affects their ability to invest in an organization or hire new employees.

■ **Figure 4: Student debt affects ability to invest in a business, hire new employees**

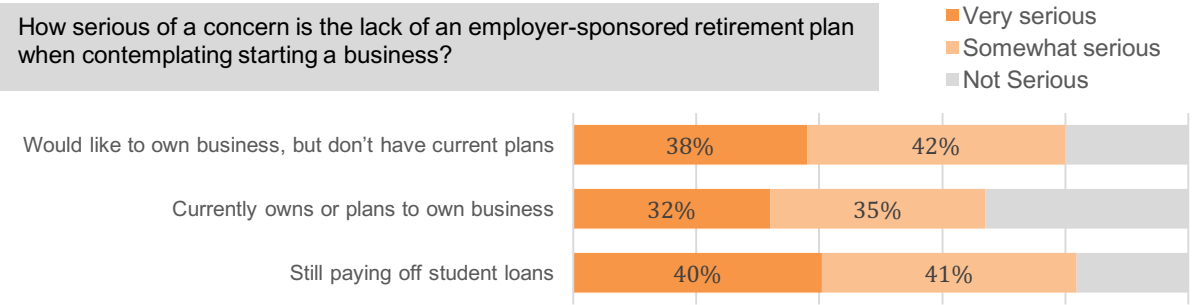


What's more, the vast majority of millennials say the lack of an employer-sponsored retirement plan is a serious concern when considering starting a business. Seventy-five percent of millennials who own, plan to own, or would like to own a business say the lack of an employer-provided plan is a serious concern.

Concern is higher among those who would like to own a business but do not have current plans to do so (80%) than among those who own or have current plans to own a business (67%).

Concern on this point is also higher among those still paying off student loans (81%) than among those who are not currently paying off student loans (70%). Four in 10 respondents still paying off loans say this is a *serious concern*.

■ **Figure 5: Lack of employer-provided retirement plan is a concern for millennial entrepreneurs and would-be entrepreneurs**

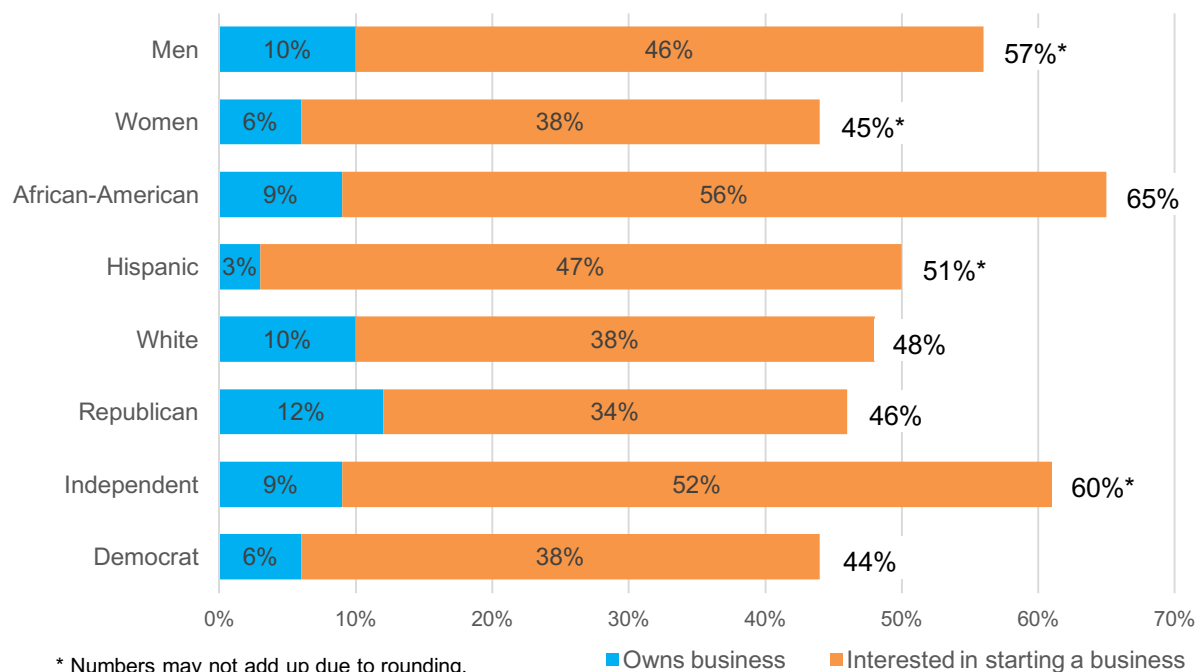


Demographic Information about Millennial Entrepreneurs

Men are more interested (57% to 45% overall) and more likely to own a business or organization (10% versus 6%) than women. By race, African-American millennials are most likely to indicate an interest in starting a business or organization (65%, compared to 51% among Hispanic millennials and 48% among white millennials). While Republicans are more likely to already own a business or organization (12%, compared to 9% among independents and 6% among Democrats), the overall interest levels are actually higher among independents (60%, compared to 46% among Republicans and 44% among Democrats).

Additionally, millennials who have already paid off their loans are more likely to own a business or organization (13%) than those who never had a loan (8%) or those still paying their loans (5%).

Figure 6: Demographics of millennial entrepreneurs



Conclusion

Entrepreneurship is essential to ensuring a strong and thriving economy, and today more jobs are created by small businesses and entrepreneurs than any other way in America. While entrepreneurship represents the pathway to success for many millennials, they face significant hurdles. As this poll shows, student debt and lack of a retirement savings plan are barriers to millennial entrepreneurs, and many would-be entrepreneurs are concerned about how this impacts their ability to start a business and keep it open. Considering the majority of millennials currently own or would like to own a business someday, they represent an important force for change in helping our economy grow and thrive, but these issues are a hindrance to that growth. It's important to address these issues holding young Americans back from pursuing the American dream of entrepreneurship.

Methodology

This poll reflects a national telephone survey of 800 millennial voters (18 to 34 years old). Respondents were selected from a national list of registered voters and were interviewed by live interviewers contacting voters on both landlines and cell phones; 88% of the respondents were interviewed on cell phones. The poll was conducted by North Star Opinion Research for Young Invincibles and Small Business Majority with a margin of error of +/-3.46%. The survey was conducted from November 18-25, 2015.

Poll Toplines

Small Business Majority & Young Invincibles
 Millennial Entrepreneurship Poll
 800 Millennials Nationwide

1. To help ensure we have a representative sample, could you please stop me when I read the correct category for your age:

18 TO 24	28%
25 TO 29	34%
30 TO 34.....	37%

2. Which of the following best describes your current level of education?

STILL IN HIGH SCHOOL.....	0%
HIGH SCHOOL GRADUATE OR GED.....	10%
POST-HIGH SCHOOL CERTIFICATE	2%
SOME COLLEGE/NO DEGREE	26%
ASSOCIATES DEGREE.....	12%
BACHELORS DEGREE.....	35%
GRADUATE DEGREE.....	15%
DON'T KNOW/REFUSED (DO NOT READ).....	0%

3. Did you take out any student loans at any point in your education after high school?
 (IF YES, ASK: Are you still paying off those loans, or are they now paid off)?

YES, STILL PAYING.....	47%
YES, PAID OFF.....	15%
NO, DIDN'T TAKE LOANS	38%
DON'T KNOW/REFUSED (DO NOT READ).....	0%

Note: Results are based on 715 respondents describing education level beyond High School/GED in Question 2.

Now I am going to ask about several ways student loan debt has affected your life. For each one, please tell me if you have experienced or have not experienced each of these effects. (RANDOMIZE)

	YES, HAVE EXPERIENCED	NO, HAVE NOT EXPERIENCED	DON'T KNOW
4. Affected your interest in or ability to start a new business or organization.	27%	72%	0%
5. Affected your ability to invest in an organization or hire employees	27%	73%	0%

Note: Results are based on 335 respondents saying “currently still paying off student loans” in Question 3.

Economy & Entrepreneurship

6. Which of the following comes closest to your plans to own a business or organization such as a non-profit: (ROTATE TOP TO BOTTOM, BOTTOM TO TOP)

- a) I own a business or organization.
- b) I am currently planning to start a business or organization.
- c) I do not have current plans to start a business or organization, but would like to do so.
- d) I do not have a desire to start a business or organization.

I OWN A BUSINESS OR ORGANIZATION	8%
I AM PLANNING TO START	16%
I WOULD LIKE TO BUT DO NOT HAVE PLANS.....	27%
I DO NOT DESIRE TO START A BUSINESS	49%
DON'T KNOW/NO OPINION.....	0%

7. How did you acquire your business or organization: did you start it yourself, inherit it, receive it through marriage or a family gift, or purchase it?

STARTED IT	76%
INHERITED IT	12%
RECEIVED IT THROUGH MARRIAGE/GIFT	8%
PURCHASED IT.....	0%
OTHER (VOLUNTEERED)	4%
DON'T KNOW/NO OPINION	0%

Note: Results are based on 67 respondents saying "own a business" in Question 6.

8. How serious of a concern is the lack of an employer-sponsored retirement plan when contemplating starting a business?

VERY SERIOUS	36%
SOMEWHAT SERIOUS.....	39%
NOT THAT SERIOUS	19%
NOT SERIOUS AT ALL.....	6%
DON'T KNOW/NO OPINION	1%

Note: Results are based on 407 respondents saying, "own, plan to own, like to own" in Question 6.

Demographics

9. In politics today, do you normally think of yourself as (ROTATE: a Republican, an independent, or a Democrat)?

IF "REPUBLICAN" OR "DEMOCRAT", ASK:	STRONG REPUBLICAN	14%
Would you consider yourself a strong or	NOT-SO-STRONG REPUBLICAN.....	11%
a not-so-strong Republican/Democrat?	IND LEAN REPUBLICAN.....	10%
	INDEPENDENT/NO PREF	8%
IF "INDEPENDENT," ASK:	IND LEAN DEMOCRAT	16%
Do you think of yourself as closer to the	NOT-SO-STRONG DEMOCRAT	16%
(ROTATE: Republican or Democratic	STRONG DEMOCRAT	21%
Party)?	REFUSED	4%

10. When thinking about politics today, do you normally consider yourself to be (ROTATE: very conservative, somewhat conservative, moderate, somewhat liberal, or very liberal)?

VERY CONSERVATIVE	11%
SOMEWHAT CONSERVATIVE.....	23%
MODERATE	25%
SOMEWHAT LIBERAL.....	24%
VERY LIBERAL.....	13%
NO OPINION/REFUSED	4%

11. Do you have any children under the age of 18 living at home with you?

YES.....	35%
NO.....	63%
REFUSED (DO NOT READ).....	2%

12. Would you please stop me when I read the correct category for your total household income?

\$25,000 OR LESS	17%
\$25,000 TO \$50,000	22%
\$50,000 TO \$75,000	22%
\$75,000 TO \$100,000	13%
\$100,000 TO \$150,000	10%
\$150,000 TO \$250,000	5%
\$250,000 OR MORE.....	2%
REFUSED	10%

13. Are you from a Hispanic or Spanish-speaking background?

IF NO, ASK: What would you say is your main race: white, African American, Asian, or something else?

YES/HISPANIC.....	20%
NO/WHITE	64%
NO/BLACK/AFRICAN AMERICAN.....	15%
NO/ASIAN/ OTHER	1%
REFUSED	0%

14. GENDER (by observation)

MALE.....	51%
FEMALE	49%

Cross tabs

1a. Business ownership plans by race

	White	African-American	Hispanic
Own a business	10%	9%	3%
Planning to start a business	10%	29%	22%
No plans but would like to	28%	27%	25%
No desire to start business	52%	35%	48%

4a. Student loan effect on starting a new business

	Owner/Plan to own	Like to/No plans	No desire to own
Yes	48%	38%	10%
No	52%	60%	90%

5a. Student loan effect on investments and hiring

	Owner/Plan to own	Like to/No plans	No desire to own
Yes	43%	38%	14%
No	57%	62%	86%

8a. Concern for lack of employer-sponsored retirement plan

	Owner/Plan to own	Like to/No plans	Still paying student loan
Very serious	32%	38%	40%
Somewhat serious	35%	42%	41%
Not that serious	25%	13%	13%
Not serious at all	7%	4%	5%