

A FOCUS ON YOUTH ENTREPRENEURSHIP (2017)

Introduction

Given persistently high rates of youth unemployment in British Columbia—at 13.6 percent, more than double the national average—preparing youth to follow an entrepreneurial path is not only an acceptable choice, but also a strategic decision. There are programs in B.C. and in Canada that introduce youth to career paths, but not enough focus on developing practical entrepreneurial skills. It will take the combined support and involvement from all sectors, including businesses, to address the need for more support to develop B.C. and Canada's future business owners.

A Surrey Board of Trade Success Story: A Long-Term Commitment

Surrey is a young, rapidly growing city with one third of its population under the age of 19. While this is a source of strength, it creates strains in key areas such as programs and services, housing and the job market. Statistics show that youth unemployment and underemployment is rising and entry-level wages do not cover the cost of living. The Surrey Board of Trade (SBoT) launched a Youth Entrepreneurship and Advocacy Action Plan in 2016, which is led by a team of youth and business leaders. The goal of the Action Plan is to combat unemployment, promote entrepreneurship and improve economic prospects for Surrey youth through targeted services, events, programming and mentorship.

Vital Signs 2015, a Coast Capital Savings sponsored survey of Surrey youth aged 12 to 24, showed that older youth overwhelmingly felt they had not received adequate life skills training in their elementary and secondary years and were unsure of their ability to successfully transition out of school into stable fulfilling employment. With this in mind, a key component of the SBoT strategy is to empower local elementary and secondary teachers to effectively teach entrepreneurship. Through a partnership with PowerPlay Strategies, a Surrey-based company that specializes in entrepreneurial education for youth, educators have been provided with turnkey resources and training. The customized solution also includes meaningful mentorship opportunities with the local business community.

PowerPlay Young Entrepreneurs is a curriculum-based program for grades 4-8 classrooms. Each individual student creates a real business by developing a business plan, product and marketing materials. They get loans, make sales and donate a portion of their profits to charity. This authentic, hands-on learning experience has proven to be highly engaging for all types of learners. Students develop practical entrepreneurial skills such as creativity, critical thinking and communications that can support them in all areas of life. They also discover that entrepreneurship is a viable career path.

Surrey Board of Trade also leads a second PowerPlay program called Project Enterprise in secondary school classrooms. Students develop real social enterprises and discover their ability to be change makers. They redefine success in business from an exclusive focus on profits to one that prioritizes people, the planet and profits. Whether coming up with a product that is environmentally friendly or addresses a social issue, students are encouraged to innovate and think outside the box. They conceptualize product ideas, develop prototypes and complete a market test. Again, this real-world approach to learning helps young people develop an entrepreneurial mindset that is needed in a highly competitive marketplace.

Together the Surrey Board of Trade and PowerPlay Strategies have created a model that can be easily adopted in other communities. In fact, the Surrey Board of Trade has been focused on entrepreneurial strategies for youth for the past 10 years.

Supporting the Current Workforce

With half of all owners of small and medium-sized business in Canada retiring in the next decade and youth unemployment more than double the rate of older age groups, entrepreneurship is an opportunity for youth to create jobs for themselves and others, generating tax revenue and producing the products and services that will play a vital role in our economic success. We need more of them. Corporations need to stop simply providing jobs and instead incubate entrepreneurial talent.

On a global scale, there are 73 million people between the ages of 15 and 24 who are currently unemployed; the 15 to 18 per cent of youth in Brazil, Canada, Russia and the USA, the 21 to 23 per cent of youth in France and the United Kingdom, and the 30 to 52 per cent of youth in Italy, Spain and South Africa. These are the young people we should be worried about, but they're also the ones entrepreneurship can help save. The time for our governments to invest in creating and supporting youth entrepreneurship programs is now, because as scary as those unemployment figures are, they're only set to climb higher, according to findings from the G20 Youth Entrepreneurs' Alliance.¹

Giving young people a real opportunity to gain control over the direction of their lives can reduce the malaise and hopelessness that permeates communities with vast numbers of unemployed youth. With basic business education and access to microloans, the economic ecosystem of whole communities can change drastically: small businesses create local jobs and keep capital circulating in communities.²

The United Nations Conference on Trade and Development (UNCTAD) developed a Policy Guide on Youth Entrepreneurship³. The report builds on previous work by UNCTAD and recognizes the specific needs of young people. In summary, the five recommendations include⁴:

1. **Optimize the regulatory environment** – Ensuring that regulations do not in themselves present barriers, the recommendations are to balance regulation and standards with development objectives, introduce transparency and ease of access through “one stop shop” bundling of business registration, etc. Overall, the purpose is to simplify regulations where it makes sense.
2. **Enhancing entrepreneurship education and skills development** – The recommendation is to begin introducing entrepreneurship awareness from the beginning of the school experience. Similar to the program that SBOT uses, educational programming from kindergarten through to post-secondary, would provide experiential, hands-on training that incorporates external mentors and would include a variety of opportunities including trades, apprenticeships, innovation, and other extra-curricular programs. Some of this has been included in the language for the new B.C. K-12 curriculum; however, there is opportunity to expand.
3. **Facilitating technology exchange and innovation** – Information and communication technologies (ICT) are critical for any new business venture, and is a particular challenge for marginalized young people (socio-economic barriers, remote locations, etc.). Incubators, research and development

1 G20 Young Entrepreneurs' Alliance <https://www.g20yea.com/>

2 http://business.financialpost.com/entrepreneur/fp-startups/the-incoming-government-should-be-looking-to-entrepreneurship-to-cut-youth-unemployment?_lsa=6793-e31d

3 United Nations, UNCTAD, Policy Guide on Youth Entrepreneurship, 2015.

<http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1404>

4 Ibid, P.11.

labs, knowledge hubs, education-industry collaboration and business mentorship are but a few ways that ICT challenges can be overcome. An appropriate policy would also include a mechanism to facilitate youth-led businesses connecting with potential clients/customers.

4. **Improving access to finance** – Challenges such as age restrictions and low financial literacy levels can be overcome by developing youth-friendly financial products, including flexible loans or a credit bureau, increasing financial inclusion, and recognizing public-private partnerships as a means of collateral for a start-up. Business mentoring should be seen as an invaluable resource for young entrepreneurs and should be encouraged.
5. **Promoting awareness and networking** – The hardest challenge for a young entrepreneur is to overcome negative attitudes and to connect with a supportive environment to foster their development. Businesses, along with governments, can jointly elevate the value of entrepreneurial programs, encourage and support peer networks, utilize media platforms to celebrate success, and to promote investments. Much of this is incorporated in the SBoT programs described above.

The recommendations through the UN report encompass both provincial and federal jurisdictions and will require collaboration between those governments and businesses to ensure that the business owners and employers of tomorrow are given the best tools to succeed. In addition, from SBoT's success as well as the UN report recommendations, the best time to start is in the primary grades.

THE CHAMBER RECOMMENDS

That the Provincial Government work with the Federal Government to create a comprehensive youth entrepreneurship strategy, using best practices.

