



ENGAGING YOUNG PEOPLE TO SOLVE CHALLENGES:

How councils can support young entrepreneurs

Young Australians are the future of local government

For local governments to maximise the prosperity, amenity and quality of life of their communities, they will have to be technologically savvy, innovative, competitive, original, and environmentally sustainable. They will also need to be linked to new markets, new people and new opportunities across the globe. These are the things at which young people excel. Engaging young people is therefore critical to the future socioeconomic development of local areas.

This paper is one of a series examining how young people can be engaged to solve our most significant challenges. It describes the findings of an engagement with young entrepreneurs in growth and interface councils to answer the question: *'how can young entrepreneurs be supported by councils to create economic growth and employment?'* The engagement was undertaken by the Foundation for Young Australians (FYA) in collaboration with the Victorian Local Governance Association (VLGA) using a method developed by FYA.

As will be seen, councils engaging young entrepreneurs in this facilitated workshop led to practical ideas for how local government could support young people to grow their local businesses and social ventures.

The challenge of fast growing populations

Local governments around Australia are facing challenges as their populations grow, but the revenue for infrastructure provision and economic development shrinks. Some areas on the fringes of Australian cities are particularly affected because they are new, and have no social or economic infrastructure ('growth areas'). Wyndham, on the edge of Melbourne, is currently the fastest growing area in Australia (i.d., 2015). It added 12,200 people last year, and is likely to double in size in the next fifteen (i.d., 2015). Population growth outstripping social and economic infrastructure means residents are poorly serviced, have to make long commutes away from home to work, and report significantly higher stress and lower wellbeing (GASPT, 2014).

Areas with the fastest growth in Australia also have the largest proportions of young people (Hugo & Harris, 2013). The lack of local jobs and transport means these young people, already disadvantaged in labour markets, experience high levels of un- and under-employment (FYA, 2014). This challenge will persist as technology, demographic change and increasing global competition further change work, leading to:

- > significantly fewer jobs – 40% of jobs in Australia will be computerised in the next 20 years
- > flexible work – much higher levels of casual and contracted work, particularly for young people
- > different work industries
- > a halving of the number of taxpayers to Australians over 65 (as the baby boomers retire), which will further increase expenditure demands but reduce revenue (FYA, 2014).

In the words of the Reserve Bank of Australia:

'This generation of young people will [need to] promote innovation and entrepreneurialism and grow our economy to maintain our standard of living.'

Phillip Lowe, Deputy Governor of the Reserve Bank of Australia, 2014

We all need to play a part in preparing our young people to become entrepreneurial – to become job creators not job seekers. This must start in the local areas where young people grow up. They must learn to run businesses, have new ideas to drive local economies, determine new ways to provide community services, and participate in the complex enabling activities of local government that shape these activities.

Addressing the challenges and opportunities of the future will require the active engagement of young people.

Young people 'tech-ing' community organisations: Lemon Tree Project

What? The Lemon Tree Project supports communities to plant and maintain a shared community lemon tree, herb garden and park bench. Plants are sourced from a social enterprise that employs people with a disability. The project received support from La Trobe University students to 'tech' their project, creating an online interactive map so projects could find and contact each other.

Find out more: <http://thelemonproject.com/about/>



Young people are a resource for local government

We are constantly presented with a view of young people as a problem, rather than a solution, particularly in the media. But consider these qualities of young people:

- > In Australia their numbers are growing—from 4.3 million people today to 6.3 million in 2053, an increase of 50% —a significant benefit for our future workforce
- > 18% were born overseas, and 40% have at least one parent born overseas, which means they are globally well connected
- > 80% are active in their school or community and 21% volunteer – similar proportions to their parents
- > 8% are involved in some kind of political or civic group
- > they are generators and dispersers of ideas
- > they are optimistic, future-focused, community-minded and caring toward others (FYA, 2014).

Not engaging young people represents a real waste of potential. They can play a direct economic and participatory role and this has been shown to have benefits for both young people and their communities.

For young people involvement positively impacts on their belief in what they can achieve (self-efficacy), what they will take on and how they respond to challenges (Rosenbaum et al., 2002). It also leads to:

- > higher self-esteem, a sense of belonging, meaning and purpose and resilience
- > an increased sense of wellbeing and better physical and mental health
- > higher rates of healthy behaviours and lower rates of risk behaviours
- > success in learning
- > connection to better career paths (Pope, 2011).

Diverse, intergenerational networks have also been shown to produce a range of benefits for communities including:

- > the spread of new ideas that leads to innovation
- > social cohesion: a sense of respect for, and solidarity with, others
- > active positive citizenship and collective efficacy (the belief a community can, and should, act towards shared goals)
- > better planning, services, facilities and activities (Pope, 2011).

Starting community activity: The Youth Food Movement

What? The Youth Food Movement partnered with Parramatta City Council to run a free pop-up cooking workshop marathon at Granville Youth Centre in Sydney's West. Young people were taught skills to share with other young people by local cooking experts and food businesses.

Find out more: www.facebook.com/YFMAustralia



Fresh ideas for community services: Sprout Ventures

What? Sprout Ventures partnered with Lendlease and LandCorp to provide their award winning way to deliver community infrastructure and build social capital in new housing developments. SproutHub is a portable community centre featuring a cafe, co-working space, event space and digital community portal. SproutHub provides immediate community facilities that can grow and adapt with the community over time. Winner of the 2015 Social Enterprise Innovation Award.



Find out more: www.sprouthub.com.au



Our economic future depends on strong local initiatives and entrepreneurialism

Young people are a significant and growing resource in local communities. Their energy, ideas, technological competence and networks can help keep community organisations and local economies vibrant.

A surprising number of young people give ventures a go in local communities – 7% of those aged 18 to 24. They represent 12% of all startups, rising to 39% for those aged 18 to 34 (FYA, forthcoming).

Young people's ventures range from businesses contributing to the local economy, through to social purpose ventures that help councils build stronger communities by:

- > assisting community groups (e.g. see box Lemon Tree project, page 2)
- > running community activities (e.g. see box Youth food Movement, page 3)
- > running a service that would otherwise not be provided or that creates significant cost savings for councils (e.g. see box Sprout Ventures, page 4) or
- > engaging hard to reach populations (e.g. see box Kids Eye on Life, page 5)

Local government is uniquely positioned and equipped to support young entrepreneurs. It is a critical broker of both local economic and community development through its broad business and community networks and partnerships. Further, through its control of local assets and planning responsibilities, it also has the ability to broker investment and build on its existing strong contact with the community.

New ways of community engagement: Kids Eye on Life

What? Jess from Melton created a project that helps young people (aged 16 to 18) with special needs capture their lives in photographs to exhibit at local shopping centers, schools and community centres. The exhibition shows communities what their lives are like. The project has become an ongoing part of the school curriculum, giving young people visibility in the community in an ongoing way.

Find out more: propellerproject.com.au/Project/Details/155



Councils can support young entrepreneurs

To find out what young people felt could strengthen youth entrepreneurship in specific local areas, FYA and the VLGA ran a workshop based on an engagement method developed by FYA. FYA helps organisation/s (in this case growth area and interface councils in Victoria) find young people and then facilitates a process to harness their ideas for change around an issue of importance. At the end of the workshop the young people pitch their ideas back to the organisation/s who pick the best ideas to put into action.

The work reported here is not research. It describes a method for councils to engage young people around important issues raised in specific contexts. The solutions generated will vary by context, demographics, and time. The point is not to engage once in one place and universalise the findings, but to show a method that could be used anywhere and as often as needed to keep policy making fresh.

Eleven young entrepreneurs aged 15 to 30 from six interface local government areas were brought together in a day long workshop in Melbourne. Both young men and women were involved and there was a diversity of ethnicities. The young people were mentored by FYA staff and council officers from Hume, Whittlesea, Nillumbik, Cardinia, Casey, Melton and Mornington Peninsula. The young people and officers discussed challenges and solutions and by the end of the day three ideas were pitched to council staff by the young people.

The challenges for entrepreneurs

The young entrepreneurs were clear about the benefits of setting up their own initiative. It allowed them to use their skills/gifts/creativity, do what they loved, and help others and benefit the community, while paying the bills. They found it deeply rewarding.

They reported the things that hindered them were that they:

- > felt they were not always taken seriously with their venture (there is a 'monotonous idea of what young people should be involved in')
- > don't know where to start or lack knowledge/experience
- > lack local networks and don't know what support there is or how to get it
- > had less opportunity to get support in the interface areas
- > lack finance
- > do not have business and finance skills (and are not getting these through education).

Research has also identified these as challenges entrepreneurs need support to overcome:

- > a lack of confidence and fear of failure, which is more common in young entrepreneurs
- > a lack of networks and engagement with stakeholders, including networks that generate legitimacy and awareness with customers
- > an inability to generate finance, especially for young people who have less savings/equity to generate loans
- > a lack of business/management skills (Yitshaki et al, 2008; Schwab Foundation, 2009; Clemensson & Christensen, 2010; Hofer & Delaney, 2010/11; Fatoki & Chindoga, 2011; Hoogendoorn et al, 2011; Villeneuve-Smith, 2011).

What councils can do

The eleven young entrepreneurs thought Councils could assist them in a range of ways. These included by providing funds, venues, business skills training, and general support.

But by far and away the biggest role they thought Councils could assist them as entrepreneurs was as a networker – to link them to business people (or service providers) that could provide information to make their ventures work, or for younger young people, to understand entrepreneurship as a pathway while they are still at school. Young people stressed to the council staff that they do not live online, and would like to get business information from a network face-to-face.

Three ideas were pitched to council staff at the end of the day:

Expos to showcase entrepreneurship as a career pathway

The pitch: Career expos are important, but they don't properly showcase current, diverse post school pathways. They don't showcase entrepreneurs and how to become a job creator rather than job seekers. We want to see councils include tech, innovation and entrepreneur expos as part of career expos. This would give local entrepreneurs a platform to share their businesses, while at the same time enabling job-seekers to learn about alternative pathways and get motivated to start their own business.

Networks to provide information

The pitch: Young people want to learn more about what other young people do in their careers and they like learning from other young people. We'd like to see councils support this by offering in-school sessions with local entrepreneurs to discuss the 'why', 'how' and 'what' of starting, or being a part of, a business or social purpose venture in the local community.

An online database of willing service providers

The pitch: Young people need people with skills and experience to support them in their ventures. We would like to see local councils create a database that has a list of willing businesses and service providers for young entrepreneurs to connect with. This would allow young entrepreneurs to get advice when they needed it to grow their venture and, with council's assistance, help them grow a business network for future support.

Conclusion and next steps

The Foundation for Young Australians believes that young people are the country's greatest resource. All of us – including Local Government – have a responsibility to invest in our young people, not only for their own sake, but for the future of the nation.

In addition to activities that some councils are already doing, practical things to support young entrepreneurs could include:

- > identifying, and connecting council staff to, young entrepreneurs in local areas
- > thinking to include young entrepreneurs in existing economic development activities (e.g. business networking events and activities) to help them network and build their capability

- > showcasing older entrepreneurs in careers expos to provide information about business and social venture career pathways and to encourage young people to try entrepreneurship
- > providing practical support such as small grants, business service/support, a mentors network, co-working spaces or training
- > advocating to the wider community about what young people are doing: telling their stories.

Young people are not always considered as contributors to the big economic and social challenges we face. The FYA is looking to change this. We want to bring young people into the centre of the national discussion of Australia's long term challenges. After all, young people are the ones who will inherit those challenges. The more we invest in young people today, the better equipped they will be to take Australia forward.

A local community with a lively entrepreneurial youth culture is a local community with a viable future.

Have a challenge to solve?

FYA sparks young people's ideas to solve social challenges. In partnership with local councils, organisations and people, community 'host teams' organise a workshop, while FYA provides expertise and support to:

- > **Organise** including engaging young people to be involved.
- > **Facilitate a 'co-design' workshop** that culminates in young people 'pitching' ideas.
- > **Connect young people to community resources** and seed funding to bring the best ideas to life.

Contact: Alex Snow, FYA in the Community Program Manager, (03) 9670 5436

Want to know more about young people?

Unlimited Potential: a data and information resource about young Australians.

<http://unlimitedpotential.fya.org.au/>

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Foundation for Young Australians
21-27 Somerset Place, Melbourne VIC 3000
T: 03 9670 5436 E: info@fya.org.au
fya.org.au

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FYA is a national for-purpose organisation that is all about backing the next generation of young people who are going to rethink the world and create a better future. At FYA we connect and inspire young changemakers - the innovators, the makers, the dreamers, the thinkers, the doers and the creators.

Find out more at fya.org.au

Prepared by:

Jeanette Pope & Alex Snow, Strategy, Policy and Research,
Foundation for Young Australians, July 2015

Credits:

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