



#FIX YOUNG AMERICA

How to Rebuild Our Economy
and Put Young Americans
Back to Work *(for Good)*



Edited by the Young Entrepreneur Council

Introduction

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In 2010, a group of successful young founders banded together to form a grassroots movement and mentor aspiring entrepreneurs. The Great Recession was wreaking havoc on young adults, who were twice as likely to be unemployed.¹ The men and women who had started companies like LivingSocial, Mint.com, and HootSuite were suddenly in a unique position: They could offer counsel to their Gen Y peers that no one else could—or would.

What began as a loosely affiliated group of do-gooders is now known as the Young Entrepreneur Council (YEC), an invitation-only nonprofit comprised of nearly 400 of America's top entrepreneurs under thirty-five. We have since mentored tens of thousands of young people around the world, from the United States to Egypt. In doing so, we've seen solutions to the epidemics of youth un- and underemployment firsthand. Now, along with dozens of supporters and partners, we are launching a national campaign to #FixYoungAmerica—for good.

Our urgency is real. The United States government is being strangled by partisan politics. Youth employment is at a sixty-year low—only 54.3 percent of young adults aged eighteen to twenty-

¹ Jenny Marlar, "Worldwide, Young Adults Twice as Likely to Be Unemployed," Gallup, April 27, 2011, <http://www.gallup.com/poll/147281/worldwide-young-adults-twice-likely-unemployed.aspx>.

four have a job at all, the lowest percentage since the government started keeping track in 1948.² And student loan debt just topped \$1 trillion, with default rates rising quickly.

Yet young Americans are far more optimistic and entrepreneurial than the pundits would have you believe. According to a 2011 youth entrepreneurship survey conducted by Buzz Marketing Group and the YEC, 23 percent of America's young people started a business as a result of being unemployed. Fifteen percent started their business in college.³ And let's not forget our veterans, who are twice as likely as other Americans to own businesses.⁴

So why are so few politicians, pundits and decision makers building on that entrepreneurial energy as a solution to joblessness and economic malaise? From the Arab Spring to the Tea Party, from Occupy Wall Street to the SOPA and PIPA protests, we've seen what like-minded individuals can achieve. And it's high time we funneled that same energy into something positive—namely, rebuilding an entrepreneurial America.

This book is not the end-all, be-all compendium of solutions—far from it. The solutions in this book mark the beginning of an important conversation, one we wanted to play a role in starting. By opening the door and leading with solutions (instead of negativity), we hope to create the momentum needed for long-term change. In that spirit, we will continue to solicit hundreds of new solutions as part of an ongoing national campaign.

2 Paul Taylor, et al., *Young, Underemployed and Optimistic: Coming of Age, Slowly, in a Tough Economy*, Pew Research Center, (Pew Social & Demographic Trends, February 9, 2012), 6, <http://www.pewsocialtrends.org/files/2012/02/SDT-Youth-and-Economy.pdf>.

3 Data is from YEC and Buzz Marketing Group's annual youth entrepreneurship survey of over 1600 American males and females ages 16-39.

4 Scott Gerber, "Why We Should Help Veterans Start Their Own Businesses," *Time.com*, February 7, 2012, <http://business.time.com/2012/02/07/why-we-should-help-veterans-start-their-own-businesses/>.

In the pages that follow, leaders who are actually in the trenches making youth entrepreneurship possible share their key findings, best practices, and battle-tested solutions. Our intention is to share these with the decision makers capable of implementing and scaling them across America.

Neither YEC's members nor the authors in this book are willing to allow this generation to flounder—but we need your help to execute our solutions. Here's how.

Integrate Academia and the Real World

In the 2011 YEC/Buzz Marketing Group survey, 88 percent of young people said that entrepreneurship education is vitally important given the new economy—and yet 74 percent of college students had no access to entrepreneurship resources on campus. When resources were available, most students felt they were woefully inadequate.⁵

This is not acceptable—in the twenty-first century, entrepreneurial thinking isn't just for entrepreneurs. Adaptability, creativity and financial literacy are core skills for American employees and intrapreneurs, too. They're also critical assets to our communities. Junior Achievement and the Aspen Institute found that youth-entrepreneurship programs positively impacted dropout rates and community engagement, not to mention the development of success-oriented attitudes of risk-taking and opportunity recognition.⁶ But most employers today think high school and college graduates are seriously deficient in entrepreneurial skills like leadership and

5 YEC and Buzz Marketing Group survey.

6 *The Aspen Youth Entrepreneurship Strategy Group, Youth Entrepreneurship Education in America: A Policymaker's Action Guide*, (The Aspen Institute, 2008), 5-6, http://www.americaspromise.org/-/media/Files/Resources/NFTE%20-%20policy_makers_action_guide_2008.ashx.

innovation,⁷ and we face a significant shortfall of science, technology, engineering, and mathematics (STEM) graduates.⁸

If we actually want to change the way Americans work, then our K-12 schools, community colleges and four-year colleges must pair book learning with real-world practicum. Babson, Cogswell Polytechnical College, Junior Achievement, the National Association for Community College Entrepreneurship (NACCE) and the Network for Teaching Entrepreneurship (NFTE), among others, are leading the way.

Eliminate Government Barriers

Even our deadlocked Congress has found bipartisan compromises in entrepreneurship-related legislation, like the recent passage of the JOBS Act. But gridlock is preventing truly decisive action. From adopting self-employment assistance programs in all states to providing federal student loan forgiveness for young entrepreneurs, we need government at all levels to nurture its most valuable resource better.

The Obama administration's Startup America agenda is a step, but we must demand a bolder pro-growth agenda. To start with, let's pass the Youth Entrepreneurship Act, which would defer or forgive student loan debt for young entrepreneurs using the precedent set by the Income-Based Repayment program, signed into law by President George W. Bush and extended by President Obama.⁹ And let's pass

7 The Conference Board, et al., *Are They Really Ready to Work? Employer's Perspectives on the Basic Knowledge and Applied Skills of New Entrants to the 21st Century U.S. Workforce*, (2006), 9-10, http://www.p21.org/storage/documents/FINAL_REPORT_PDF09-29-06.pdf.

8 Richard Dobbs, James Manyika and Charles Roxburgh, "What business can do to restart growth," McKinsey & Company, September 2011, http://www.mckinsey.com/Features/Growth/What_business_can_do_to_restart_growth.

9 "Income-Based Repayment Plan," Federal Student Aid, U.S. Department of Education, last modified December 7, 2011, <http://studentaid.ed.gov/PORTALSWebApp/students/english/IBRPlan.jsp>.

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