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Supporting the next generation

The entrepreneurial mindset and the future of work

A research brief presented by EY and NFTE (Network for Teaching Entrepreneurship)

Entrepreneurial Mindset

Your business can shape the workforce of the future

At Ernst & Young LLP (EY), many of our clients tell us that they struggle to find employees with the skills they need to compete in the global arena:

- ▶ Communication and collaboration
- ▶ Initiative and self-reliance
- ▶ Creativity and innovation

Taken together, these are the ingredients of an entrepreneurial mindset, crucial for 21st century success.

As the landscape of work shifts in ways that no one can predict, businesses need workers who bring an entrepreneurial spirit to their jobs; people who routinely seek opportunities, turn obstacles into opportunities and take risks to improve results.



Michael J. Kacsmar
Partner, Assurance Services, Ernst & Young LLP
NFTE National Board Member

But, where will we find these confident problem solvers? Most middle and high schools don't teach these entrepreneurial business skills.

Enter NFTE (Network for Teaching Entrepreneurship). This nonprofit turns classrooms into startup incubators and opens the doors to brighter futures for young people. Through the teaming of EY with NFTE, we are helping prepare middle and high school students for the uncertain future of work.

This paper provides insight into the workings of NFTE and how it's making a real impact in the lives of young people. I encourage you to explore further and discover how teaming with NFTE can shape the workforce of the future – and fill the talent pipeline with exciting new prospects.



Shawn Osborne
President/CEO of NFTE

"NFTE made me feel anything is possible. The part of me that's been inspired since I was a 14-year-old NFTE student said ... follow your passion, you can do whatever you want."

**– Robert Reffkin,
Founder & CEO, Compass**



The must-have skill set for a changing work world

The Fourth Industrial Revolution is speeding ahead. Technological advances of all kinds – artificial intelligence, robotics, 3D printing – are creating change on an order of magnitude never seen before. Smart systems are making headway on challenges, such as creating more sustainable supply chains and finding new ways to feed a growing population. The rise of the sharing economy is allowing people to monetize everything from homes and cars, to wardrobes and bicycles.

What does this mean for the future of work?

Theories abound, but a few dominant themes arise. **The future of work ...**

- ▶ **Is uncertain.** A 2016 report from the World Economic Forum¹ made a startling point: 65% of young people entering primary school today will hold jobs that do not currently exist.
- ▶ **Requires new knowledge.** Yesterday's "soft" skills are the hard skills of the future. Communication, problem solving, collaboration and creativity are already in demand, and that will rise as new jobs evolve to meet the needs of the future. Developing these types of skills is the best way for young people to prepare for the uncertain future of work.
- ▶ **Is independent.** In 2017, around 35% of all US workers were freelancers. That number is expected to rise to 50% by 2027.² These new jobs require a different mindset – one that is flexible, customer oriented and constantly in search of opportunities.

Startup businesses also form a critical component of a strong economy. High-growth businesses, which are overwhelmingly startups, account for as much as 50% of gross new

job creation overall.³ The World Economic Forum's annual Job Creation Survey also shows that entrepreneurs' hiring plans consistently outpace those of larger companies.

Entrepreneurial skills are crucial not only to create new business but also to strengthen human capital and make individuals more employable and competitive.⁴ Businesses need people who offer not only hard skills but also the soft skills associated with entrepreneurship: innovation, self-reliance, comfort with risk, communication and problem solving.⁵

No one can predict the job titles of the future, but the baseline ingredient for success will be the ability to think and act like an entrepreneur. ■

¹ *The Future of Jobs. Report.* World Economic Forum (2016). <http://reports.weforum.org/future-of-jobs-2016/>.

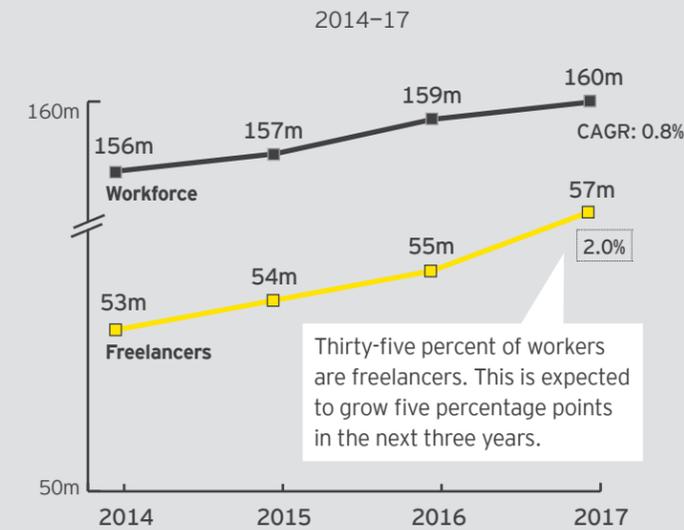
² Polfeldt, Elaine. "Are We Ready for a Workforce that is 50% Freelance?" *Forbes Magazine*, October 17, 2017, <https://www.forbes.com/sites/elainepofeldt/2017/10/17/are-we-ready-for-a-workforce-that-is-50-freelance/#6dadd9563f82>.

³ Fetsch, Emily. "The Economic Impact of High-Growth Startups," Kauffman Foundation, 2016.

⁴ Bacigalupo, M., Kampylis, P., Punie, Y. and Van den Brande, G. (2016). *EntreComp: The Entrepreneurship Competence Framework.* JCR Science for Policy Report. European Commission.

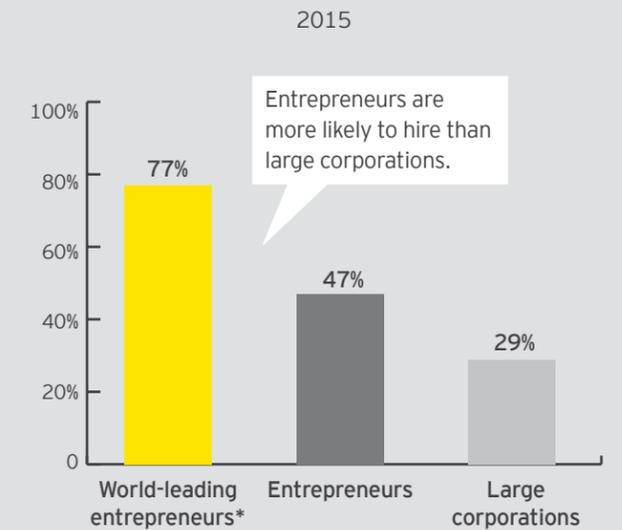
⁵ Ibid.

Growth in US freelance workers compared to US workforce



Source: "Freelancing in America," 2017, Edelman Intelligence for Upwork

Likelihood to hire, entrepreneurs vs. large corporations



*Represents 201 EY Entrepreneur Of The Year™ winners. Source: World Economic Forum and EY, Job Creation Survey

Top 10 skills required for employment

2015, 2020 in rank order

2015	2020
1. Complex problem solving	1. Complex problem solving
2. Coordinating with others	2. Critical thinking
3. People management	3. Creativity
4. Critical thinking	4. People management
5. Negotiation	5. Coordinating with others
6. Quality control	6. Emotional intelligence
7. Service orientation	7. Judgment and decision-making
8. Judgment and decision-making	8. Service orientation
9. Active listening	9. Negotiation
10. Creativity	10. Cognitive flexibility

Critical thinking and creativity are becoming increasingly important as core job skills.

Skills that are new to the top 10 list for 2020.

Source: Curtin, Melanie, "The 10 Top Skills That Will Land You High-Paying Jobs by 2020, According to the World Economic Forum," Inc. Magazine, December 29, 2017, <https://www.inc.com/melanie-curtin/the-10-top-skills-that-will-land-you-high-paying-jobs-by-2020-according-to-world-economic-forum.html>

NFTE prepares youth for the future of work

"It helped me to see school as a business opportunity!"

– NFTE student

NFTE is an internationally recognized nonprofit that activates the entrepreneurial mindset in young people. NFTE works in under-resourced communities, with programs in 19 locations in 9 countries. Its primary focus is in urban cities throughout the United States, where it partners with districts, schools and community-based organizations.

Teaching the entrepreneurial mindset

NFTE uses an experiential approach to develop not only the hard skills required for business but also the noncognitive skills crucial to young people's success in the 21st century workplace. Students participate in projects and activities throughout the year, visiting companies, presenting their ideas to adults and other students, and engaging in team-building and problem-solving activities.

At its most developed, the NFTE classroom looks and feels like a startup incubator

with budding entrepreneurs working collaboratively on projects. The NFTE teacher acts as a facilitator rather than an instructor – encouraging students to take chances, solve problems and present results.

Each year, approximately 12,000 NFTE students participate in classroom, regional and national business plan pitch competitions with the goal of winning cash prizes. The competitions are a critical component of the hands-on nature and experiential learning component of the NFTE curriculum. Students experience what it's like to pitch an idea and try to convince someone else of its value – and even fund it.

What is the entrepreneurial mindset?

Entrepreneurial mindset is simply the way an entrepreneur thinks and acts. It's a set of characteristics, behaviors and skills that drive action. A person with an entrepreneurial mindset:

- ▶ Recognizes an otherwise overlooked opportunity
- ▶ Has the confidence to take a risk
- ▶ Communicates their ideas clearly
- ▶ Can not only adjust but also learn from setbacks



Jasmine Lawrence

Founder & CEO, EDEN BodyWorks; Technical Program Manager, Facebook

"I am an outlier. The number of African-American women in business and tech is still incredibly small. I prevailed because I was able to develop the entrepreneurial mindset at a young age."

- ▶ BizCamp participant, 2008
- ▶ Georgia Institute of Technology, BS, Engineering; University of Washington, MS, Human Centered Design and Engineering
- ▶ Founder & CEO of EDEN BodyWorks, a multimillion-dollar company with products on the shelves of Walmart, Walgreens and other leading retailers
- ▶ Currently a technical program manager at Facebook; has previously been employed by Microsoft and SoftBank, a robotics innovator



Juan Daniel Ramos Fuentes

"NFTE allowed me to realize my potential. I am not limited to learning in the

classroom. I know I have the skills and the drive I need to forge my own path."

- ▶ Youth Entrepreneurship Challenge National Qualifier, 2013; Summer Entrepreneurship Fellow, 2017
- ▶ Participant in White House Science Fair through NFTE
- ▶ Gates Millennium Scholar
- ▶ Graduated from University of Texas at Austin, majoring in MIS and Computer Science
- ▶ Currently employed as a data analyst at Bazaarvoice

Khaled Khalifa



"Having an entrepreneurial mindset goes beyond running a business; it's about how we respond to everyday challenges, in the classroom and beyond. This is the essence of the NFTE experience – and it's my biggest takeaway."

- ▶ Youth Entrepreneurship Challenge National Qualifier, 2015; Summer Entrepreneurship Fellow, 2017
- ▶ Founder & CEO of Delicious New York
- ▶ Clark University, bachelor's degree in Political Science and Economics; Senior Project Coordinator for the university's Innovation and Entrepreneurship Program
- ▶ Now a graduate student at the University of Chicago



Dagim Girma

"NFTE provides you with opportunities and experiences that you can't find anywhere else."

It helps you to understand more about yourself and skills that you were unaware of."

- ▶ Youth Entrepreneurship Challenge National Finalist, 2013
- ▶ Babson College, bachelor's degree in Business Administration and Management
- ▶ President, Youth Big Event, Volunteer Alexandria, 2012–14
- ▶ Interned at Ernst & Young LLP and Goldman Sachs
- ▶ Currently a product management analyst at Goldman Sachs



Kaitlyn Smith

"If it weren't for NFTE, I wouldn't be interested in entrepreneurship or, frankly, business. I

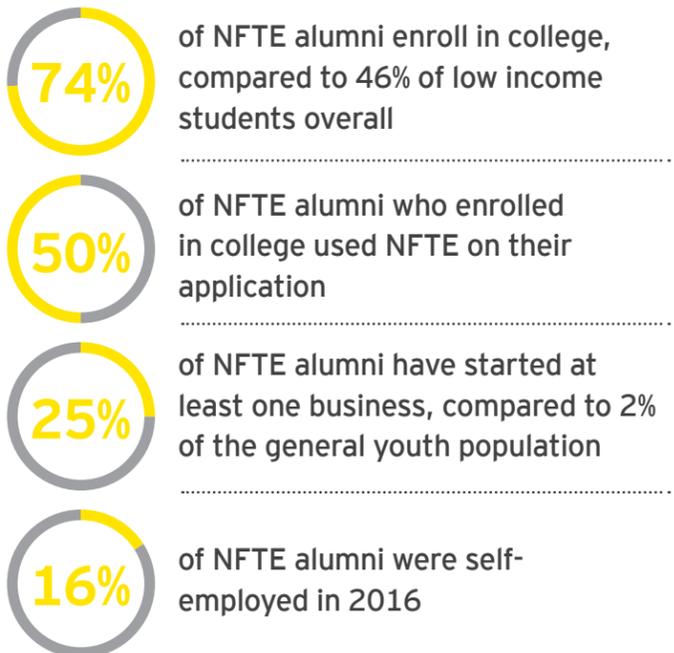
love that this organization has pushed me past my limits and empowered me as a young businesswoman."

- ▶ Startup Summer Participant, 2016; Summer Entrepreneurship Fellow, 2017
- ▶ At Georgia State University studying Finance
- ▶ Intern, Spot Development Group, a computer software startup



Paths forward: growing entrepreneurial mindsets

NFTE's national impact⁶



Measuring the entrepreneurial mindset

NFTE is also a pioneer in measuring entrepreneurial mindset. This year, NFTE unveiled its Entrepreneurial Mindset Index (EMI), a valid and reliable assessment instrument that measures youths' characteristics, behaviors and skills as they relate to entrepreneurship.⁷ The EMI is a tool that NFTE uses to develop entrepreneurial awareness and build upon the skills and behaviors that instill career readiness in youth, preparing them to be ready for the uncertainty of the future economy. Through this research, NFTE has found that students who demonstrate growth on the EMI during the year are twice as likely to see entrepreneurship as a skill that applies to their academic life and any career they choose.

The NFTE effect: thriving young entrepreneurs

NFTE prepares young people to be future forward. Equipped with the entrepreneurial mindset, as well as solid business and academic skills, students are ready to thrive in the innovation economy – no matter what path they choose. ■

⁶ Nakamoto, J. and Rice, J. (2017). Network for Teaching Entrepreneurship (NFTE) 2016 Alumni Survey Findings. WestEd.

⁷ For more on the technical aspects of the EMI, see Gold, T. and Rodriguez, S. 2018, "Measuring Entrepreneurial Mindset in Youth: Learnings from NFTE's Entrepreneurial Mindset Index." [White paper](#). NFTE.

"I have a greater ability to problem solve, and I am better at time management and making structured plans to finish projects and work on time and effectively."

– NFTE student

EY is one of the world's leaders in advising, guiding and recognizing entrepreneurs. The Entrepreneur Of The Year[®] (EOY) program has been in existence for more than 30 years. We champion entrepreneurs at every stage of their journeys, from high school students, to startup trailblazers. It's more than a business imperative – it's part of our commitment to creating a better working world for everyone. Around the globe, EY people are volunteering their skills to turn dreams into economically viable realities.

Through programs such as EY Vantage and EY-Earthwatch, we have sent EY professionals to 30 countries around the world to work with high-impact entrepreneurs in strategic markets. There is no cost to the companies we serve, whether it's an IT startup in Brazil or a sustainable farming cooperative in Mexico.

The future – including the next generation – is always on our minds. We believe that we have a responsibility to provide greater educational opportunities for underserved youth, and we actively encourage them to develop entrepreneurial mindsets. For example, hundreds of EY professionals volunteer each year within NFTE classrooms on EY Connect Day and with Junior Achievement, judging business plan competitions and teaching entrepreneurship to students from kindergarten through 12th grade.

Our strategic collaboration with NFTE is among our most impactful ways to open doors for the workforce of the future. EY people volunteer with the nonprofit as coaches, judges and mentors. Other highlights of our support include the following:

- ▶ EY leaders serve on the NFTE National board and all but one of NFTE's regional advisory boards in the US. We've also

extended our support of NFTE to nine countries in all, including Israel.

- ▶ EY has donated over \$1.1m in the past five years to NFTE programs across the US. Contributions support initiatives like high school entrepreneurship classes across the country and reward top NFTE students with college scholarships.
- ▶ EY awards NFTE students with an EY Youth Scholarship at many of our regional EOY Galas and our National celebration in Palm Springs, CA each November.

Whether your business is a small shop or a Fortune 100 company, we urge you to use this report as a catalyst to learn more about entrepreneurial education and its essential role in shaping the workforce of the future. It's a business imperative to instill 21st century skills, such as problem solving, creativity and collaboration, in today's young people. At EY and NFTE, we stand ready to team with you to further develop entrepreneurial mindsets – and the workforce of the future.

Let's keep the public conversation going. Post your thoughts [#BetterWorkingWorld](#) [#NFTE](#), and let's discuss how the entrepreneurial mindset can impact the future of work in your world. ■

Entrepreneurial Mindset



Flexibility and adaptability

The ability and willingness to change actions and plans to overcome present and future challenges



Creativity and innovation

The ability to think of ideas and create solutions to problems without clearly defined structures



Communication and collaboration

The ability to clearly express ideas to an intended audience, including persuading others to work toward a common goal



Comfort with risk

The capacity to move forward with a decision despite inevitable uncertainty and challenges



Opportunity recognition

The practice of seeing and experiencing problems as opportunities to create solutions



Critical thinking and problem solving

The capacity to apply higher-level, process-oriented thinking, consider an issue from a range of possible perspectives and use that reasoning to make decisions



Future orientation

An optimistic disposition with a focus on obtaining the skills and knowledge required to transition into a career



Initiation and self-reliance

The power to take ownership of a project without input or guidance and work through obstacles independently

“ I have a better understanding of the intricacies of working with a team and I can lead teams more effectively now. I also understand better the importance of communication and being able to overcome adversity.”

– NFTE student



Acknowledgments

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- ▶ **Kristen Gold**, Americas Corporate Responsibility, Ernst & Young LLP
- ▶ **Deborah K. Holmes**, Americas Director of Corporate Responsibility, Ernst & Young LLP
- ▶ **David Hoverman**, Managing Director, EY-Parthenon
- ▶ **Urmila Janardan**, Summer Intern, EY-Parthenon
- ▶ **Mike Kacsmar**, Partner, Ernst & Young LLP
- ▶ **Angela Milano**, Community Engagement Leader, Ernst & Young LLP
- ▶ **Phil Vaccaro**, Managing Director, EY-Parthenon

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In a world that's changing faster than ever, our purpose acts as our "North Star" guiding our more than 260,000 people – providing the context and meaning for the work we do every day. We help digital pioneers fight data piracy, guide governments through cash flow crises, unlock new medical treatments with data analytics, and pursue high-quality audits to build trust in financial markets and businesses. In other words, we collaborate with entrepreneurs, companies and entire countries to solve their most pressing challenges.

Through our four integrated service lines – Assurance, Advisory, Tax and Transaction Advisory Services – and our deep sector knowledge, we help our clients to capitalize on new opportunities and assess and manage risk to deliver responsible growth. Our high-performing, multidisciplinary teams help them fulfill regulatory requirements, keep investors informed and meet stakeholder needs.

We believe a better working world is one where economic growth is sustainable and inclusive. We work continuously to improve the quality of all of our services, investing in our people and innovation. And we're proud to work with others – from our clients to wider stakeholders – to use our knowledge, skills and experience to help fulfill our purpose and create positive change.

Learn more at [ey.com](https://www.ey.com).

About NFTE

NFTE is an internationally recognized nonprofit that activates the entrepreneurial mindset in young people.

Research shows that the entrepreneurial mindset – skills including innovation, self-reliance, comfort with risk, communication and problem solving – prepares young people for lifelong success.

Equipped with the mindset, as well as the business and academic skills that NFTE teaches, NFTE students are ready to thrive in the innovation economy no matter what path they choose. NFTE focuses its work on under-resourced communities. Through its nationwide network of program offices, NFTE partnered with 1,882 schools and community-based organizations across the US last year, reaching more than 52,000 students.

Partnerships in eight other countries allowed NFTE to serve an additional 53,000 young people internationally.

Learn more at [nfte.com](https://www.nfte.com).