

# **NDSU Extension Service Youth Entrepreneurship Training “Be Your Own Boss” Program**

**Gary A. Goreham**  
Assistant Professor  
Department of Sociology/Anthropology

**George A. Youngs, Jr.**  
Associate Professor  
Department of Sociology/Anthropology

**Richard W. Rathge**  
Director  
State Census Data Center

The NDSU Extension Service participates in an on-going entrepreneurship program called “Be Your Own Boss,” which teaches junior high school youth aged 11 to 15 how to start businesses.

Although the format of the program varies from county to county, it typically is divided into four three-hour sessions. The intent of the program is to guide youth through the steps of starting their own businesses. They learn how to construct an entrepreneur profile, develop time-management strategies, create business plans, conduct marketing research, assess financial needs, compile records, and promote their efforts through advertising. County extension staff conduct some of the course lectures and recruit community experts to conduct others.

This report explores the impact of the “Be Your Own Boss” program. First, who attends the programs? McClelland (1987) stated that people with high achievement motivation will be attracted to the business world because it provides them with risks, personal achievement, unambiguous feedback in the form of profits, and specific accomplishments. We developed a profile of youth who attended the program to see if they already were entrepreneurs or were interested in becoming entrepreneurs.

Second, what factors account for differences in participants’ business knowledge and interests? Researchers find that adult entrepreneurship is a product of childhood socialization experiences. McClelland (1987) found that a country’s economic success is linked to its

emphasis on achievement, especially as this emphasis is conveyed to the country’s youth. Winterbottom (1958) indicated that children who have been encouraged and are expected to achieve outside their home at an early age demonstrate higher achievement motivation than those who are encouraged at later stages of development. The optimal time for parental encouragement appears to be between the ages of six and eight. Bowen and Hisrich (1986) suggested that parents who are supportive and encourage independence, achievement, and responsibility enhance children’s interest in becoming entrepreneurs. Promoting an entrepreneurship orientation among the young can have long-range results.

Third, do young entrepreneurs differ from young nonentrepreneurs? Researchers have attempted to identify personality traits that differentiate people who start businesses from those who do not. McClelland (1987) reviewed the research literature on entrepreneurship characteristics and found that some of the most frequently named traits were confidence, perseverance, energy, resourcefulness, creativity, foresight, and initiative. If certain personality characteristics are related to entrepreneurship, program leaders should encourage the development of these characteristics or target people who already possess these characteristics as potential workshop members. Miller (1987) suggested universities incorporate these characteristics into their curricula to produce graduates with entrepreneurial interests.

## The Study

The program evaluation began during the fall of 1991. Part of the evaluation included a survey, which was distributed in three phases to program participants. First, the instructor gave an initial questionnaire (pretest) to the participants before the course began. Second, after the participants completed the course, the instructors distributed a postcourse questionnaire (posttest). Third, a follow-up questionnaire was mailed to the participants three months after they completed the program.

The initial questionnaire included items about the participants' past business experiences and their business knowledge and interests. Other items focused on their personality characteristics, personal interests, extracurricular activities, work experience, grades, future goals, and demographic background. We also included questions about the participants' perceptions of their parents' financial status, parental support, and parental/sibling modeling of entrepreneurship.

The programs were conducted in counties throughout the state in July and August, 1991, with 77 youth enrolled. All 77 of the youth completed the pretest, 27 youth completed the posttest, and 24 youth completed the follow-up questionnaire. One-half of the participants were male (52 percent) and one-half were female (48 percent). The ages of the students ranged from 9 to 15, and nearly one-half of the students were 11 or 12 years old.

## Profile of Program Participants

Most of the youth in the program were not entrepreneurs before they started the program. Twenty-four percent of the participants had started a business before the program. Of these, 83 percent had started their businesses with someone else. The types of business starts varied, with nearly as many enterprises as there were entrepreneurs, although most involved either sales or services.

Most of the pretest participants (80 percent) were either "interested" or "very interested" in starting a business during the next one or two years. That percent-

age remained nearly the same for the posttest (83 percent) but declined in the follow-up (60 percent). While the program may ignite some of the youths' interests in business, retention of business interests was a critical element.

The program participants were given a list of business types and asked to mark their level of interest in each. The largest percentage of the youth were "interested" or "very interested" in starting businesses that involve working with animals (80 percent). Other categories, in descending order, included using a computer (71 percent), providing entertainment or recreation (67 percent), working with children or the elderly (62 percent), selling or retailing (61 percent), and starting businesses that involve organizing or managing (57 percent). Fewer were interested in more physically demanding businesses involving cleaning or painting (47 percent), making or manufacturing (38 percent), building or constructing (38 percent), repairing or fixing (31 percent), or moving or transporting (21 percent).

The profile of a typical program participant was a youth who had not started a business, who was definitely interested in starting a business, and who held a variety of business interests.

## Program Impacts

The program's impact was assessed by repeating the pretest measures of business knowledge and interest on the posttest and follow-up surveys. Respondents were asked on the follow-up survey if they had actually started a business in the intervening months since the workshop. Despite the small number of respondents, the results were consistent.

The program increased the number of participants who possessed business knowledge of eight basic activities: (1) developing business ideas, (2) determining costs, (3) estimating prices, (4) obtaining loans, (5) keeping records, (6) advertising, (7) selling to family and friends, and (8) selling to people other than family and friends. A substantial percentage of the youth (47 to 80 percent) already knew how to perform at least seven of the eight basic activities before the program. The only activity about which few of the participants (28 percent) reported knowledge was discussing loans (Figure 1).

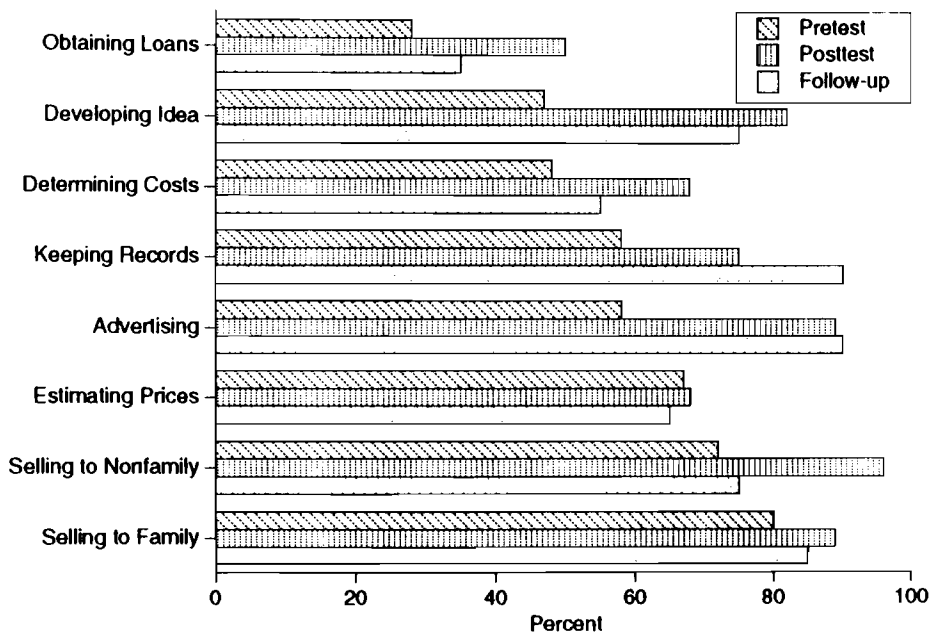


Figure 1. Percentage of participants who reported business knowledge (pre-, post-, and follow-up surveys)

Following the program, the percentage of youth who knew how to perform any or all of the eight knowledge areas increased. After the program, most participants indicated that they knew how to sell to nonfamily members (96 percent), sell to family members (89 percent), develop business ideas (82 percent), advertise (75 percent), and keep records (75 percent). However, many of the youths still had difficulty with the financial components of business, such as obtaining loans; and the percentage who reported knowledge of pricing (roughly 67 percent) remained unchanged.

After the program, knowledge improvement was greatest in developing new ideas, selling to nonfamily members, obtaining loans, and determining costs. The percentage of the participants who indicated knowledge in these areas increased by 35, 24, 22, and 20 percentage points, respectively, after the program. Smaller gains in knowledge were in selling to family members and determining prices, partly because many already knew these business skills. The percentage of the youth who understood these business skills increased by only 9 points after the program.

Youth who already had started a business before the program and those who had not started one both reported an increase in business knowledge, although starters gained more business knowledge than did nonstarters. Starters and nonstarters already knew an average of 4.6 of the eight business knowledge areas before the program. However, starters' knowledge base increased to an average of 6.7 areas after the program compared 5.6 for the nonstarters. And, during the follow-up survey, the knowledge areas of starters expanded to an average of 7.0 compared with 5.6 for the nonstarters. The participants who had started businesses before the program may have understood the need for some of the knowledge the program covered.

The program's impact on heightening the participants' interest in starting a business was less clear. On the pretest, 41 percent were "very interested" in starting a business in the next one or two

years. On the posttest, 54 percent said they were "very interested," but only 20 percent gave this response on the follow-up survey.

Little change in interest level was evident in youths' interest in 12 types of business activities on the pretest, posttest, and follow-up surveys. The workshops seemed to have a limited effect on increasing what appears to be already high levels of interest in starting a business.

### **Comparing Youth Entrepreneurs with Nonentrepreneurs**

We compared three groups of participants: (1) those who had started businesses before the program ("starters"), (2) those who had not started a business but were interested in doing so ("interested nonstarters"), and (3) those who had not started a business and were not interested in doing so ("less-interested nonstarters"). The analysis included 74 participants: 18 starters, 18 interested nonstarters, and 38 less-interested nonstarters. Three of the original 77 participants did not answer the classificatory items on the questionnaires and were therefore dropped from the analysis.

The three groups' levels of six *personality characteristics* associated with entrepreneurship were measured on a set of 23 semantic differential scales, indexed to form six personality factors. We found support for the notion that entrepreneurs typically have high levels of drive, need for achievement, need for control, risk taking, and independence. Starters had slightly higher scores on independence and need for control. Interested nonstarters had slightly higher scores on drive, need for achievement, and risk. No differences were found among the three groups in level of confidence. Less-interested nonstarters had lower scores for each characteristic than did starters or interested nonstarters.

These personal characteristics may be related to the types of parental support the youths received from their families. The youths rated the degree to which their parents encouraged certain behaviors or characteristics related to

entrepreneurship. Starters and interested nonstarters tended to report that their parents provided them with more independence, support for achievements, responsibility, and support for attempted activities than did less-interested nonstarters.

The youths were asked to list their *personal interests* such as favorite subjects and hobbies. Starters reported substantially less interest than nonstarters in science. Science was the favorite school subject for 47 percent of the starters compared with 78 percent and 80 percent of the interested nonstarters and less-interested nonstarters, respectively. Starters were less likely than nonstarters to report that they received "mostly As" in school. Eleven percent of the starters said they were A students compared with 50 percent of the interested nonstarters and 39 percent of the less-interested nonstarters. Starters were somewhat more interested in skill-based hobbies such as photography or computers, although the differences among the groups were not significant (Table 1).

Starters were more likely than nonstarters to participate in selected extracurricular activities. Starters and interested nonstarters participated in an average of one or two sporting activities, particularly baseball, basketball, and gymnastics, whereas less-interested nonstarters participated in an average of less than one sporting activity. The level of participation in nonsports extracurricular activities among the three groups did not differ. However, starters were twice as likely to participate in 4-H than nonstarters. This finding may result from the program's connection to the Extension Service and the means by which the program participants were recruited.

The percentages of the three groups who had worked either for family or nonfamily for pay did not differ. About seven out of 10 of all the youths had worked for their families for pay and about eight out of 10 of all the youths had worked for someone other than their families for pay.

Participants reported about career, educational, and residential goals. Starters

**Table 1. Percent of "Be Your Own Boss" program participants by selected variables.**

Selected Variables	Starters	Non-starters		X <sup>2</sup>
		Interested	Less-interested	
<b>Favorite hobbies</b>				
Collecting	7	17	17	1.48
Athletics	20	28	25	
Skills-related	73	56	58	
<b>Favorite subject in school</b>				
Science	47	78	80	5.66*
Other	53	22	20	
<b>Grades in school</b>				
Mostly As	11	55	36	4.08*
Less than As	89	45	64	
<b>Occupational preference</b>				
Professional/managerial	71	50	39	3.64*
Technical/production	29	50	61	
<b>Educational preference</b>				
College	100	78	84	4.54
No college	0	11	12	
Don't know	0	11	4	
<b>Residential preference</b>				
Farm/small town	56	35	44	1.49
Large town/city	44	65	56	
<b>Financial status preference compared with family's financial status</b>				
Want more money	83	71	78	0.82
Want same or less money	17	29	22	
<b>Worry about family having enough money today</b>				
Worry	62	56	32	4.32*
Don't worry	38	44	68	

\* p ≤ 0.1

were more likely to hope for professional or managerial jobs when they grow up (71 percent) than were either the interested or less-interested nonstarters (50 percent and 39 percent, respectively). Starters were somewhat more likely to identify college as an educational goal (100 percent) than were the interested or less-interested nonstarters (78 percent and 84 percent, respectively). The three groups differed little in the size of community in which they hope to reside. Starters and nonstarters both hoped to live in a state other than North Dakota, although somewhat more starters expressed this than did nonstarters. This may be related to the fact that more of the starters and interested nonstarters had lived outside of North Dakota at some time in their lives (31 percent and 33

percent, respectively) than had less-interested nonstarters (8 percent).

The three groups' preferred financial status, compared to that of their families, did not differ. However, the starters and interested nonstarters worried more about their families' having enough money today (62 percent and 56 percent, respectively) than did the less-interested nonstarters (32 percent).

A comparison of the parental background for starters and nonstarters showed little difference in fathers' educational achievement, a slightly greater tendency for starters than nonstarters to have fathers in occupations other than farming and to have mothers with a college education, and a slight tendency for starters to have mothers who were homemakers. Starters and nonstarters

did not differ in the percentage who have parents who own a business and/or who have started a business. Parental modeling does not appear to be important in creating youth entrepreneurs. Overall, contextual factors, such as support, household structure, and family background, seem to have limited impact on youth entrepreneurship, perhaps less impact than individual factors.

The youth entrepreneurs seem to be somewhat unique in terms of personality and personal interests. The level of involvement slightly favors entrepreneurs across a range of school- and nonschool-related activities. The goals of entrepreneurs appear to be slightly more ambitious than those of nonstarters. These differences are all consistent with the stereotypical entrepreneur, but none of the differences are compelling. Among the youth who participated in the program, the differences between entrepreneurs and nonentrepreneurs are modest.

## Conclusions and Implications

Several implications may be derived from the findings of this study. First, as noted above, the "Be Your Own Boss" program effectively increased the business knowledge of its participants. Many of the participants started businesses after the program. Although many of the participants reported some level of knowledge and many had started businesses before the program, their knowledge levels increased after the program, and several of the youths started businesses after its completion. The continued follow-up contact between the participants and the program facilitator may be key to encouraging new businesses.

Second, the program may have been less effective in increasing the participants' interest in business. The program may need to actively recruit youth who already are interested in business or who have entrepreneurial characteristics. Nevertheless, the program should not be limited only to youth who already have shown business motivation. Our examination of how personality, personal

interests, level of extracurricular activity, career ambitions, and educational goals create a youth entrepreneur indicates that the differences between entrepreneurs and nonentrepreneurs are not entirely compelling. Youth who do not previously display entrepreneurial characteristics may still become outstanding business starters.

Third, entrepreneurship programs, such as "Be Your Own Boss," while requiring flexibility, also need a degree of consistency across the state. When we began this research project, we anticipated a larger number of participants and programs. But we found that county extension staff had little time available to devote to such a time-intensive program. Standardized programming, tailor-made to the local setting, should be developed, and additional volunteer assistance should be used on the county level. If entrepreneurship is to be an important component of economic development and if the Extension Service is to be more active in economic development, then Business Specialists who can further develop and manage the program must be involved.

Fourth, our study was exploratory. We were unable to use control groups; therefore, we cannot say that changes in the youths' behavior occurred because of the program. This would require additional controlled research. Do the youth who participate in the entrepreneurship programs start businesses later as adults? If so, do they start businesses at a different rate than youth who have not participated in such programs? Are some programs more effective than others? How do the entrepreneurial activities of program participants compare with non-participants? To answer these questions, additional follow-up studies must track youths who participate in entrepreneurial programs.

For additional information on "Be Your Own Boss" programs scheduled in your local area, contact your county extension office or call Geraldine Bosch at the NDSU Extension Service Youth, Family, and Community Development office, (701) 237-7253.

## References

- Bowen, Donald D. and Robert D. Hisrich. (1986). "The Female Entrepreneur: A Career Development Perspective." *Academy of Management Review* 11(2): 393-407.
- McClelland, David C. (1987). "Characteristics of Successful Entrepreneurs." *Journal of Creative Behavior* 21(3): 219-233.
- Miller, Alex. (1987). "New Ventures: A Fresh Emphasis on Entrepreneurial Education." *Survey of Business* 23(1): 4-9.
- Winterbottom, Marian R. (1958). "The Relation of Need for Achievement to Learning Experiences in Independence and Mastery." In J.W. Atkinson (ed.), *Motives in Fantasy, Action, and Society*. Princeton, NJ: Van Nostrand, pp. 468-471.