

Millennials may not  
be 'the entrepreneurs  
of today' everyone  
thinks they are

[Business](#), [Entrepreneurship](#)



There is a very strong perception that young people today (our so-called Generation Y) are innovative and dynamic and will continue to be the driving force behind successful entrepreneurial ventures. This perception, to a large degree, has come about because of the immense success of Mark Zuckerberg, a member of the millennial generation.

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After all, Zuckerberg dropped out of college, moved to Silicon Valley, created Facebook and became one of the richest people in the world by the age of 31.

While this was no doubt a tremendous achievement, it is unrealistic to assume that every other millennial will be a Zuckerberg, especially since the spirit of entrepreneurship is pretty low among the younger folks. According to a Federal Reserve data analysis by the , the number of people under the age of 30 who own businesses has dropped by 65 percent since the 1980s and is currently at a quarter-century low.

As John Lettieri, co-founder of the Economic Innovation Group before the U. S. Senate in July, millennials are on their way to becoming the least entrepreneurial generation in decades. This is quite a contrast from the beliefs of those who have embraced the idea that millennials could, in fact, be the most entrepreneurial generation since the Industrial Revolution.

Britt Hysen, *MILLENNIAL* magazine's editor-in-chief, holds that belief and without hesitation that 60 percent of millennials consider themselves entrepreneurs.

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No doubt, young people are full of fresh ideas and are able to really contribute toward a new entrepreneurial wave in the United States, but seem to contradict the almost fairy tale-like media portrayal of a startup developing a software app in an open-plan office, with lanes for 22-year-old hover-board executives. When it comes to the actual activity of managing a business, the older generations are the ones taking the lead and doing most of the work.

, an organization focusing on education and entrepreneurship, says that the age of 40 is the "peak for business formation." In reality, the typical American entrepreneur is not a visionary young adult roaming around the office on skateboard; no, the visionaries are his or her successful and hard-working parents.

This image is supported by studies that show that the only age group with a rising entrepreneurial activity in the last 20 years has been the one containing individuals between 55 and 65 years of age. Another report, by the , reveals that less than 2 percent of millennials are self-employed, as compared to 7.6 percent for Generation X and 8.3 percent for the baby boomers.

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So, the question is: Why has millennial entrepreneurship failed over the years? They do, after all, have potential. They do have big ideas. And they definitely have the technical know-how to achieve big things.

What they don't have is a facilitative entrepreneurial environment. It actually all revolves around finance and risk-taking.

Between 2004 and 2014, the number of students taking a loan to start a business increased to 89 percent. During this time, the average student debt increased by 77 percent. While taking loans for potential business ventures is a viable strategy, for young people who want a steady income, the lack of stability can be a huge put-off.

There is also evidence that suggests that the younger generation's eagerness to take risks has followed a downward trend. Specifically, over 40 percent of Americans between 25 and 34 years old on a 2014 survey that fear of failure prevented them from starting a business in 2014 -- compared with only 24 percent in 2001.

They're not entirely wrong either. The truth of the matter is that all lucrative business segments are dominated by a handful of large corporations. They hold the monopoly, and the majority of new startups, classified as small businesses, remain just that -- small businesses.

For instance, three drugstore chains (CVS, Walgreen's and Rite Aid) hold 99 percent of the national market; (Amazon and Barnes & Noble) sell half of the country's books. Eighty-five percent of the beef market in the United States is controlled by four companies, while three of them produce nearly half of all the chicken. Over half of all cable and internet subscribers in the nation are Comcast customers.

So, what does this do for competitiveness? Not much apparently.

The problem of having just two to three main players driving a whole sector of the economy is having a serious impact on our overall economic efficiency. Virtually operating in the U. S. market are 10 years or older and hire more than 80 percent of the available workforce.

And both figures have followed an ascending trend since 1990. Therefore, a small group of large companies continues to earn the bigger chunk of profits. Firm size and the age of a business seem to play a very important role in driving further growth and increased revenue.

All this leads to a decline in market dynamism, and with this decline, the interest level and motivation of millennials declines accordingly.

The expansion of these industrial oligopolies has quashed smaller competitors. Even in the technology sector, where innovation is constantly booming, the circle . A case in point is Facebook, which owns copyrights over four of the five most downloaded apps (e. g.: Whatsapp, Messenger, Facebook, Instagram) and tried to buy Snapchat, the fifth one.

All is not lost, however, and there are still young magnates out there who may possibly follow in the footsteps of Bill Gates and Mark Zuckerberg. While the economic environment may have clipped the wings of some young people, there is always a place for new ideas and new vision in the entrepreneurial world.

With universities increasing the number of entrepreneurship classes by , younger generations will be better educated in startup skills, and it may be very likely that millennials may boom ten years from now. For now, however, the typical media image of young people leading the force of the marketplace is not entirely accurate.

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A vision worth striving for that might hold great potential in the years to come? Certainly. But, for now, the millennials are slowly fizzling out and need a boost that could help restore their entrepreneurial spirit. Ideas, anyone?