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MILLENNIAL ENTREPRENEURS PLACE GREATER VALUE ON BUILDING INFLUENCE TO BENEFIT THEIR COMMUNITY

- Entrepreneurs in their 20s prioritise influence and impact on local community compared with older generations
- One in four millennial entrepreneurs sets up a business to make a difference and get recognition for their impact
- Millennials dedicate more time to volunteering than previous generations

The entrepreneurial spirit of global millennials is more likely to be driven by the desire to increase their influence and have a positive impact on others than their parents' generation, according to a new report from HSBC Private Bank. The bank's second *Essence of Enterprise* report, launched today, researched the views of over 4,000 entrepreneurs globally to understand the motivations behind setting up their own businesses. The study found that more than a quarter (26%) of entrepreneurs in their 20s set up their business with a view to making a name for themselves, compared to 17% of over 50s.

Millennials are not simply driven by the desire for prestige, however, as respondents outlined their desire to use their influence to have a direct impact on their community. Nearly a quarter of those in their 20s say having a positive impact on the community was an important goal compared with one in ten (13%) entrepreneurs aged 50+. In the UK, young entrepreneurs are more than twice as likely to say having this positive influence was important compared with older entrepreneurs (15% vs 6%). This distinction between generations is most marked in the U.S. where the difference moves 12 percentage points (29% vs 17%).

While the global findings suggest shifting priorities for younger generations, those in Asia-Pacific demonstrate an approach which reflects financial considerations as part of their entrepreneurial mix. Nearly half (45%) of millennial entrepreneurs in this region went into business with the goal of increasing their personal wealth, compared to 40% in the U.S. and 29% in Europe.

Entrepreneurial goals	Entrepreneurs in their 20s	Entrepreneurs over 50	Difference (in percentage points)
To become more influential	23%	13%	10%
To have a positive impact on your community	23%	13%	10%
To build a name for yourself	26%	17%	9%
To have a positive economic impact	25%	20%	5%

Q: Which of these motivations were important in your decision to become an entrepreneur? (multiple choice)

The gap between the two global age groups widens when it comes to environmental and social considerations. Entrepreneurs in their 20s are more likely to put a high amount of effort in tackling these issues within their business compared with the over 50s (37% vs 25%). The divide is particularly clear in Mainland China, where almost half of millennials focus on this area, compared to under a quarter of over-50s (41% vs 23%). The research also reveals how millennials spend almost twice as long on average participating in community activity or volunteering (54 minutes vs 30 minutes on average per day). China is again the area with the biggest discrepancy between young and old when it comes to these activities, as the time difference amounts to over an hour extra a day (one hour and 18 minutes vs six minutes).

In their quest to build a name for themselves and increase their influence, the creation of strong support networks is particularly important for the younger generation. Millennials achieve this through a greater focus on company strategy and internal staff management, dedicating half an hour more each day to these tasks than their older counterparts. This younger group is less likely to get involved into day-to-day delivery of products and services, freeing up on average 42 minutes a day by empowering employees to make important client-facing decisions. By placing greater emphasis on overall business strategy and managing talent internally, their network is strengthened.

HSBC Private Banking's Chief of Staff Stuart Parkinson said: "Our research shows that, compared with older generations, millennial entrepreneurs seek influence rather than autonomy and that social impact is as important to them as personal wealth. It is important that we understand the challenges faced by the next generation of entrepreneurs so we can support them as they create jobs and economic growth, as well as prosperity for themselves, their families and their communities."

For further findings of the Essence of Enterprise research, visit: <http://hsbcprivatebank.com/>.

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About the research

The research was conducted by Scorpio Partnership online in September 2016. There were a total of 4,038 respondents all of whom a) were major shareholders and active decision-makers in privately-owned businesses and b) had a minimum personal wealth of more than USD250,000. The research covered mainland China, Hong Kong, Singapore, UK, Germany, France, US, Switzerland, Australia, the United Arab Emirates and Saudi Arabia.

About HSBC Private Banking:

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