

# THE 2015 GALLUP-HOPE INDEX

PRODUCED BY GALLUP AND OPERATION HOPE



GALLUP®



## DEAR FRIENDS,

One of the most important discoveries Gallup has ever made is that the whole world wants a good job. This is the new will of the world.

This new will changes everything, including the very fabric of U.S. and global society, as younger people get married later in life—or not at all—and have fewer children than ever before—or none at all. Everything is changing because the will of the world has changed. Today, the great global dream is to have a full-time job with meaning—because if my job doesn't have meaning, my life doesn't have meaning.

America has many serious problems, including the environment, education, immigration and war. But America's biggest problem to most individuals, especially young people, continues to be the desperate need for good jobs—jobs that provide middle class wages, meaning and dignity.

While the solutions to immigration, the environment and many other problems may lie in Washington, D.C., the solution to our biggest problem does not. Washington can provide the necessary legal framework, a supportive environment and even infrastructure that spurs growth. But the real solution to the jobs problem lies within business startups and business building by our next generation. If they are moved by the spirit of free enterprise, and if they possess world-class financial literacy, America will re-win the world.

When we began, the two of us wondered if the nearly 33 million American students in grades 5-12 possessed a spirit of free enterprise. We wondered if they were financially literate and if they had classes available to them in their schools where they could learn about money and business. We wondered if they had local mentors. We also wondered if they planned to start a business, if they had bank accounts and how many, and if any, dreamed of inventing something that would change the world.

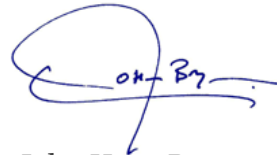
We looked everywhere and could not find a single behavioral, economic or predictive analytics study on youth financial literacy, nor could we find any on youth engagement in business and banking. However, we know that investing in our aspiring young entrepreneurs is critical to developing our next generation of small-business owners, who will drive prosperity and growth in their communities.

In your hands is the only report that answers the most important questions of our time: Are our youth financially literate enough to solve America's economic and jobs problems? Do they possess the spirit of free enterprise? Are students getting the opportunity to match their aspirations with the experience they need to reignite America's economy?

Operation HOPE and Gallup have promised to find the answers to these important questions and provide them to American leaders annually for the next 100 years.



Jim Clifton  
Gallup  
Chairman and CEO



John Hope Bryant  
Operation HOPE  
Founder, Chairman and CEO

The goal of the Gallup-HOPE Index is to identify and empower the youth who will be our nation’s next generation of business builders so communities can ignite and sustain long-term economic energy.



## INTRODUCTION

Right now in the U.S., there are nearly 33 million students enrolled in grades 5-12. Gallup's research shows that approximately five in 1,000 people have exceptionally rare, genius-level entrepreneurial talent. This means that there are more than 90,000 students out there right now who possess this exceptional talent, and these students are an enormous resource that can jump-start America's economic engine. The U.S. must develop a system that identifies and equips these budding entrepreneurs if we want to reignite the American economy. These students are national treasures who will bring even the smallest ideas to life across the country. We must identify and harness the economic energy of young Americans earlier and more intentionally if we expect to maintain the global advantage the U.S. has enjoyed thus far.

At no other time in the recent past has it been more important for America to invest in tomorrow's entrepreneurs. Students planning to open a business today are tomorrow's small-business owners, and small-business owners contribute jobs, ideas and resources that grow the economy. Gallup's research indicates that five in 100 people can build small- to medium-sized businesses of significance, and the U.S. Bureau of Labor Statistics (BLS) recognizes that "small businesses are typically the entry point for entrepreneurs as they develop and build a customer base before deciding whether to expand." Though large businesses accounted for the majority of the 2.6 million jobs created over the last year, small businesses (one to 49 employees) had the highest net employment gain: 185,000 jobs in the first quarter of 2015. The power of these small businesses to impact the economy is enormous — if they could maintain their profitability and employment levels.

Though the link between entrepreneurship and economic growth is well-established, similar to previous years, the 2015 Gallup-HOPE Index indicates that less than half of all potential future business owners — today's students — are learning in school about how to start and run their own business. Additionally, as students advance to higher grade levels, they become less likely to say they want to start their own business. The nation needs to support and teach these students about realizing their dreams in the earliest school years before they lose the desire to create and initiate something new. America's future depends more than ever on the success of our youth, and we need all of these students to realize the full potential of their economic energy.

The Gallup-HOPE Index is a one-of-a-kind survey that creates an annual benchmark of the economic vitality of the nation's young people. It suggests that we are failing to recognize and maximize entrepreneurial talents and aspirations in our youth. But the data also tell a story of hope, shining a light on the path that educators, policymakers and community leaders must navigate to build and sustain thriving communities. Leaders can bridge the gap between entrepreneurial aspirations and the lack of universal access to business/entrepreneurship education, practical work experience and participation in the economy. Successful small-business owners and entrepreneurs should invest in career literacy and education, partnering with schools and educators to mentor and invest in young talent. Simply put, for U.S. communities to be thriving places to live and learn well into the future, America needs a strategy that includes investment in the youngest and most hopeful among us — our youth.

In 2011, Gallup and Operation HOPE joined forces to create a measure of young people's attitudes toward entrepreneurship and financial literacy. This measure, the Gallup-HOPE Index, quantifies the economic energy of America's youth. The index is an annual measure leaders can use to gain



insights into how young Americans envision their economic future and to understand young Americans' level of participation in our nation's economy. The goal of the Gallup-HOPE Index is to identify and empower the young people who will be the next generation of innovators and entrepreneurs so communities can spur and sustain long-term economic energy.

Informed by Gallup-HOPE Index data, Operation HOPE is working with communities to invest in robust strategies and interventions aimed at turning this audacious goal into a reality. Economic energy is established organically and locally — one talented entrepreneur at a time. Entrepreneurship plays a vital role in the health of the U.S. economy. By understanding how young people envision their economic future, we can inform interventions and education aimed at eliminating gaps in resources that could marginalize some students from full and meaningful participation in our nation's economy.

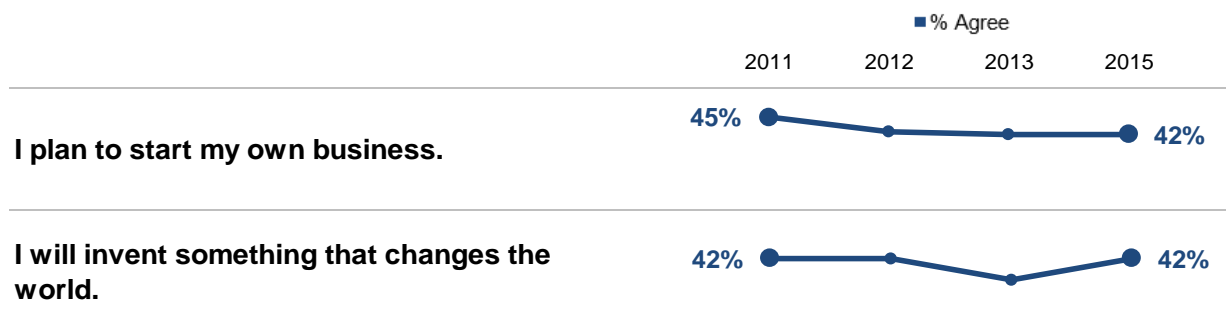
## SUMMARY OF FINDINGS

As in previous years, the 2015 Gallup-HOPE Index, based on a study of 1,001 students in grades 5-12 in the U.S., shows that many students have the entrepreneurial aspirations and energy they need to build a business that will survive, grow and employ others. This ongoing study explores what students think about their economic future and their access to the education and experience needed to realize their aspirations.

Of the nearly 33 million students in grades 5-12 in the U.S., some have that rare, genius-level entrepreneurial talent, and these students are our best resource to jump-start America's economic engine. It is crucial to identify these students early and nurture their entrepreneurial energy. The Gallup-HOPE Index measures this entrepreneurial spirit by asking students about their intentions to start a business and whether they will invent something that changes the world. The results show that there is room for improvement in how leaders, schools and communities help students maintain their economic energy.

### A LARGE PERCENTAGE OF STUDENTS CONTINUE TO EXPRESS ENTREPRENEURIAL INTENTIONS

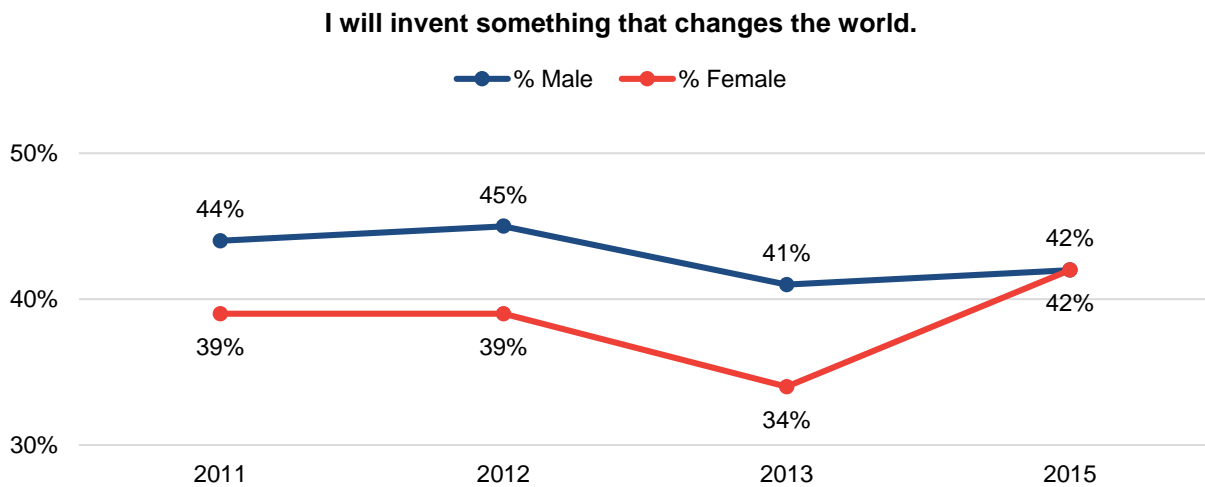
In 2015, four in 10 students (42%) said they plan to start their own business, unchanged from the percentage found in 2013. Additionally, compared with the 38% who said in 2013 that they will invent something that changes the world, slightly more students in 2015 said the same (42%).



## FEMALE STUDENTS AS LIKELY AS MALE STUDENTS TO SAY THEY WILL INVENT SOMETHING THAT CHANGES THE WORLD

Since 2013, there has been an increase in the percentage of female students who say they will invent something that changes the world. In 2015, 42% of female students — equal to the percentage of male students — said they will invent something that changes the world, compared with 34% in 2013. However, there is no change in the percentage of female students saying they plan to start their own business, at 43% for both 2013 and 2015.

Compared with 2013 (41%), there is no significant change in the percentage of male students who say they will invent something that changes the world (42%).

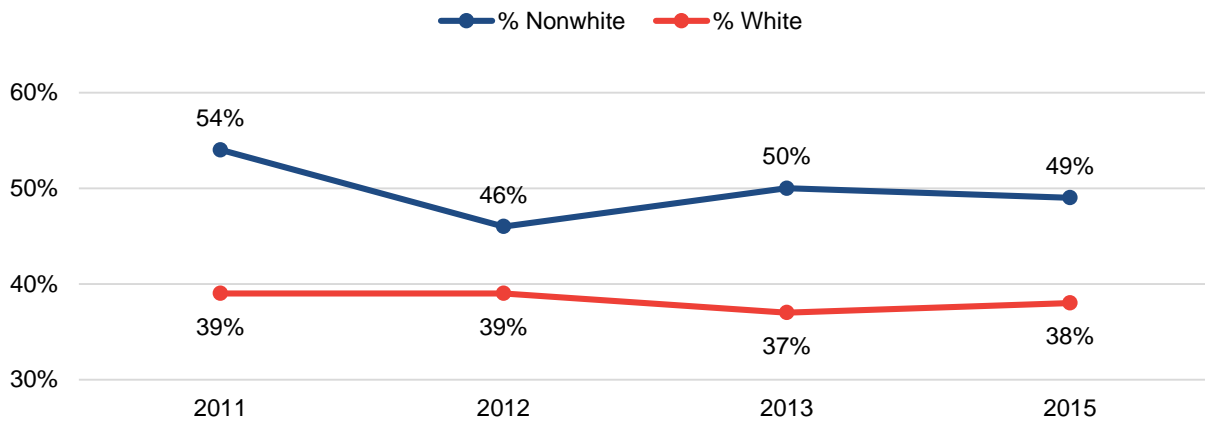


Forty-three percent of female students say their school offers classes on how to start and run a business, compared with 50% of male students who say the same. This represents the largest male-female gap since 2011, as well as the lowest percentage of female students to respond positively to this statement since tracking began.

## SIMILAR TO 2013, NONWHITE STUDENTS MORE LIKELY THAN WHITE STUDENTS TO SAY THEY PLAN TO START THEIR OWN BUSINESS

As was the case in 2013, nonwhite students in 2015 were more likely than white students to express entrepreneurial intentions. Nearly half of all nonwhite students (49%) say they plan to start their own business, compared with 38% of white students. Creating opportunities for young minority entrepreneurs to learn about banking and finance may capitalize on this greater entrepreneurial energy and provide a much-needed foundation for helping minority-owned businesses flourish once students graduate to business ownership.

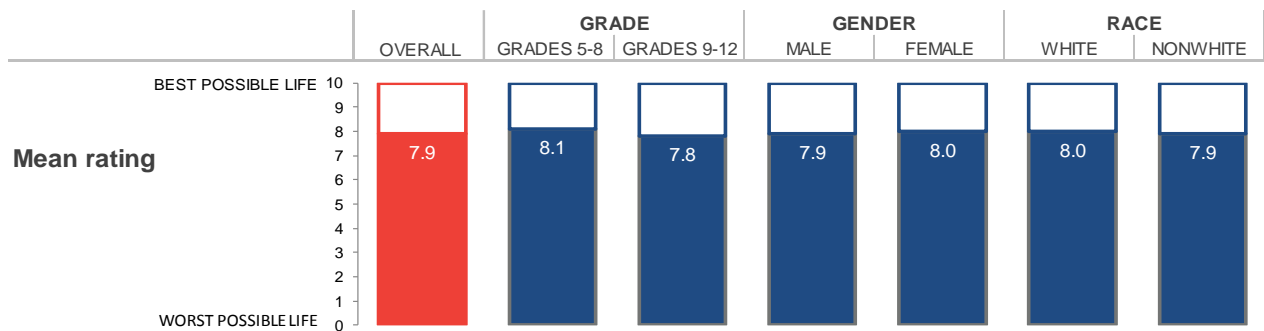
### I plan to start my own business.



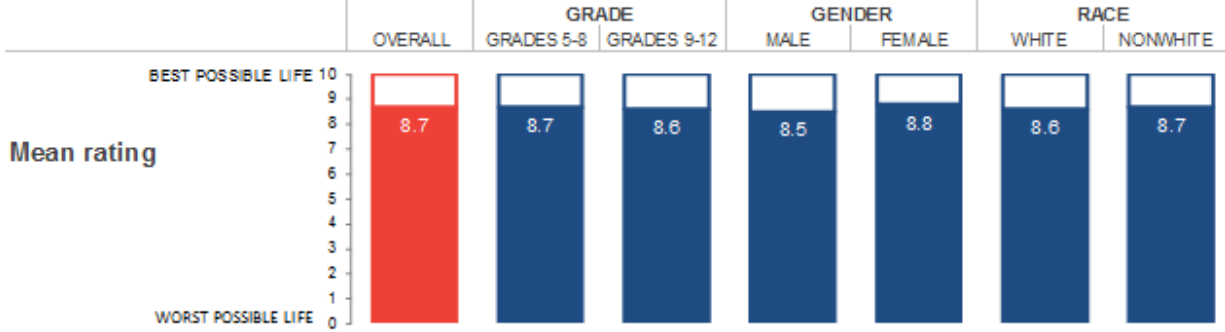
### STUDENTS IN GRADES 5-8 MORE LIKELY TO EXPRESS ENTREPRENEURIAL INTENTIONS

Students in grades 5-8 rate their lives today as an 8.1 out of 10, compared with those in grades 9-12 who rate their lives today as a 7.8. There is less of a difference between the grade groups in terms of how students see their future. Those in the lower grades rate their future lives as an 8.7 out of 10, while those in grades 9-12 rate their future lives as an 8.6.

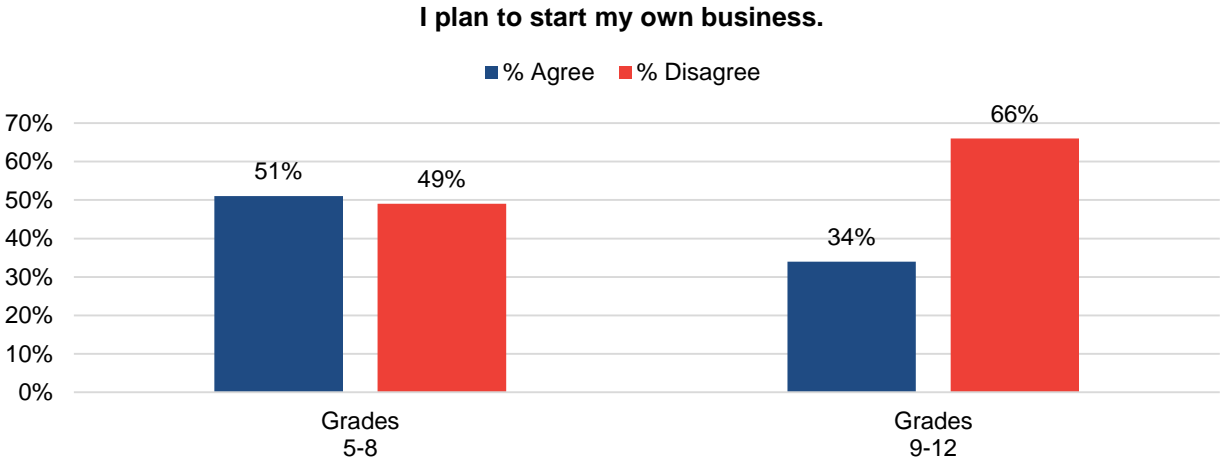
**Please imagine a ladder with steps numbered from zero at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?**



Please imagine a ladder with steps numbered from zero at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step do you think you will stand about five years from now?

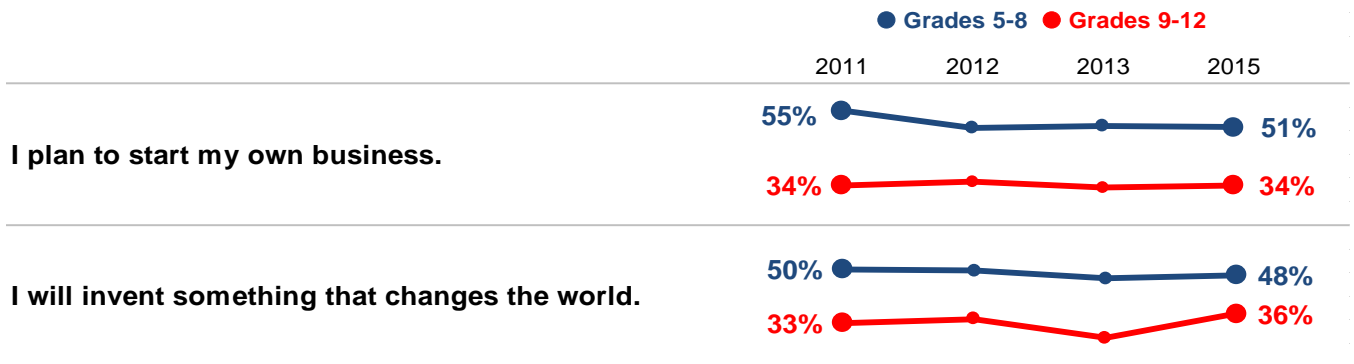


There is an opportunity to capitalize on the entrepreneurial energy of students by identifying, cultivating and growing it early and by educating them at the earliest possible moment, so that the gap does not widen between the hope of our youngest and oldest students.



About half of all students (51%) in grades 5-8 agree that they plan to start their own business, compared with 34% of students in grades 9-12. Likewise, 48% of students in grades 5-8 say they plan to invent something that changes the world, compared with 36% of those in grades 9-12.



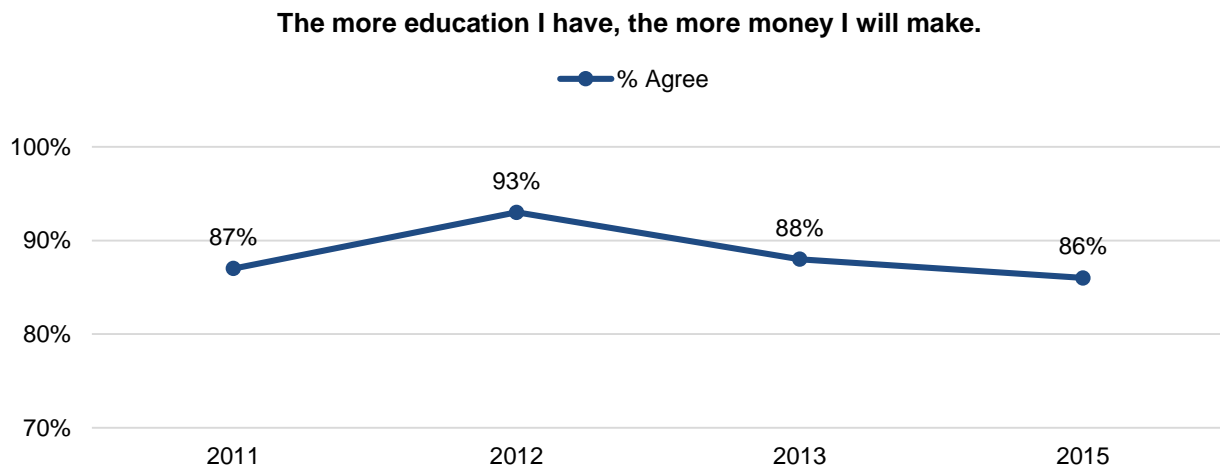


Small businesses are typically the “entry point” for entrepreneurs. Because small businesses tend to close as often as they open, it is important to help young entrepreneurs stay persistent in their quest to start a business and to give them the skills and education necessary to enable them to make these businesses successful. America is in a position to invest in and capitalize on the entrepreneurial spirit of its youth. However, with about 5% of students dropping out of high school each year, we risk losing our nation’s competitiveness in the global economy because we have let natural talent and innovation slip away or go untapped. We need every one of these students to ignite economic energy, and we must capitalize on this opportunity early and often.

### YOUNG PEOPLE UNDERSTAND THE LINK — MORE EDUCATION MEANS MORE MONEY

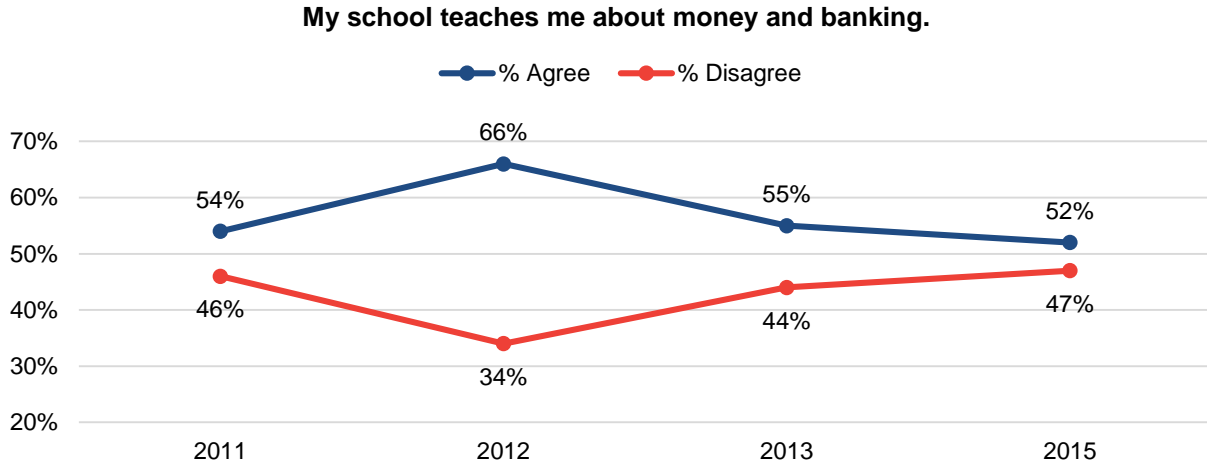
For America’s youth to have the opportunity to achieve financial success, they must first be empowered to navigate today’s economic complexities. Therefore, it is crucial to cultivate the hope of the nation’s younger students while they have a positive vision of their lives. Teaching and mentoring them and investing in programs that encourage and cultivate the entrepreneurial spirit of American youth must be a priority.

On par with the percentage from 2013 (88%), the vast majority of students (86%) across income, race and gender groups agree that the more education they get, the more money they will make.



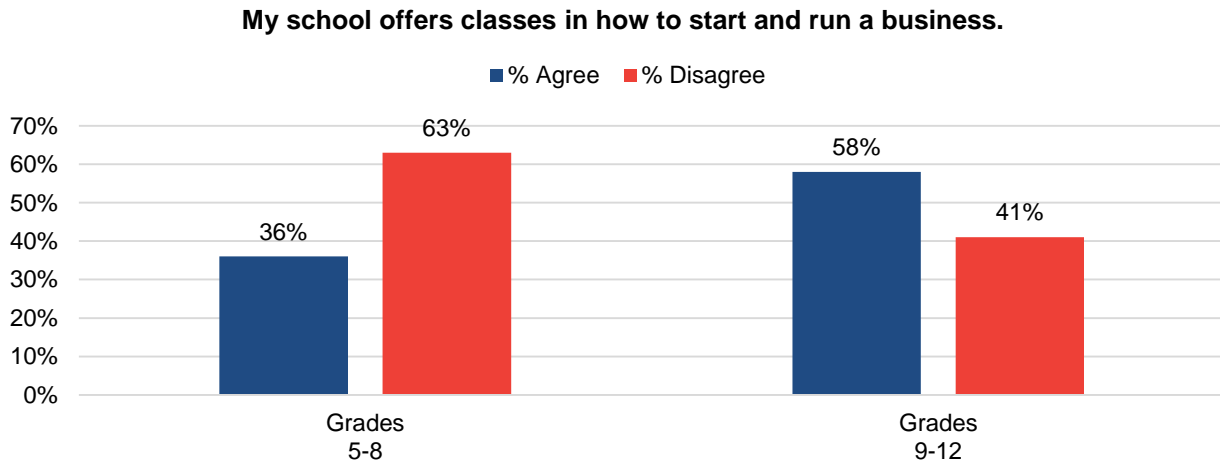
## HALF OF STUDENTS SAY THEIR SCHOOL TEACHES THEM ABOUT MONEY AND BANKING

In 2015, a little more than half of students (52%) said they learn about money and banking at school. This is a far smaller percentage of students than the 66% who said the same in 2012, but closer to the 55% who agreed in 2013.



Similarly, 47% of students in 2015 said their school offers classes in how to start and run a business, down from the 58% who said the same in 2012, but equal to the percentage from 2013 (47%).

Students in grades 9-12 are significantly more likely to say they have access to courses in how to start and run a business (58%) compared with students in grades 5-8 (36%). Though students in lower grades have trailed older students in this area since 2011, 2015 closed some of the gap between older and younger students. In 2013, it was a 32-percentage-point gap; in 2015, it narrowed to a 22-point gap between older and younger students in having access to these business courses.



Waiting to introduce students to business and finance courses until later grade levels may be a case of “too little, too late.” Although 2015 may have closed the gap somewhat, younger students who

have greater entrepreneurial energy are not being introduced to learning opportunities when their hope and entrepreneurial spirit are most active.

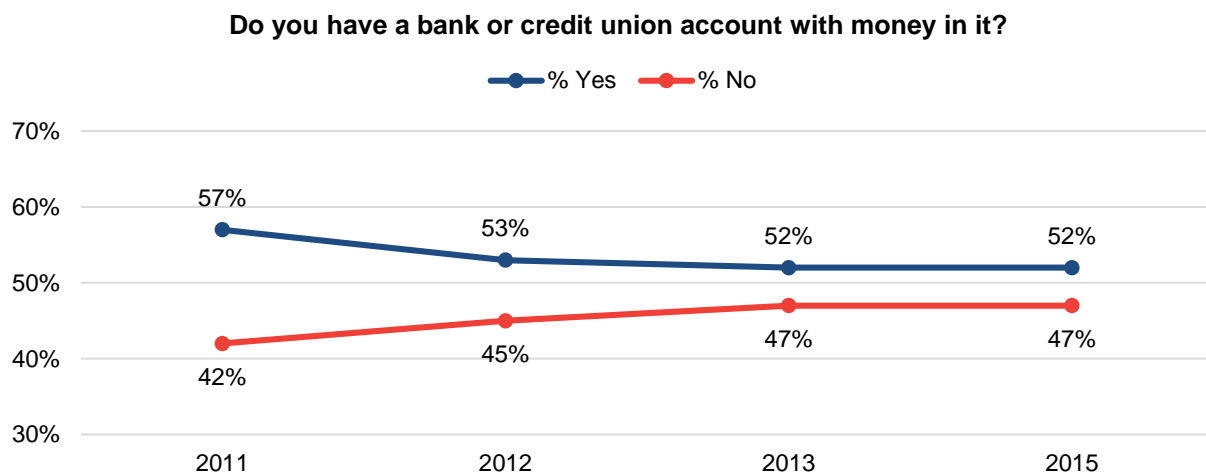
## ECONOMIC PARTICIPATION TRAILS ASPIRATIONS

In 2015, economic participation continued to trail aspirations. Economic participation among young people, especially among students in lower grade levels, is limited. On par with 2013 (17%), just 19% of students in 2015 said they work one hour or more weekly for pay. Similarly on par with 2013, in 2015 just 3% of students said they run their own businesses, and 5% said they work as interns at local businesses.

Most young people are missing out on opportunities to learn by working or interning. However, leaders and community members can provide much-needed mentoring opportunities to young entrepreneurs. They can do this by supporting policies and curricula that improve students' universal access to business/entrepreneurship education, practical work experience and economic participation. Successful business owners and entrepreneurs should invest in career literacy and education by partnering with schools and educators to mentor young talent. Early mentoring may provide students with the support they need to realize their entrepreneurial aspirations.

## HALF OF ALL STUDENTS HAVE A BANK ACCOUNT WITH MONEY IN IT

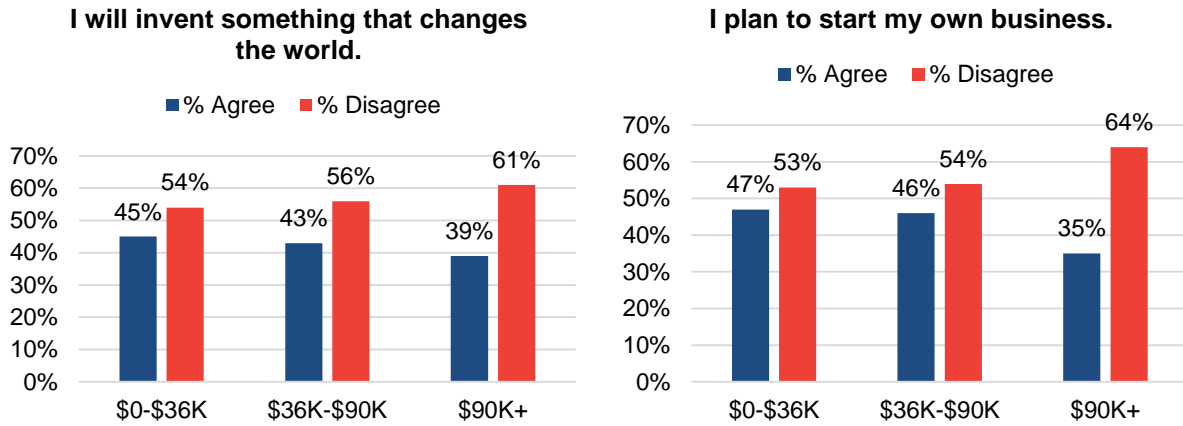
Equal to 2013, about half of students (52%) in 2015 said they have a bank or credit union account with money in it. As in previous years, students in higher grades are more likely to say they have a bank account or credit union account with money in it. However, this gap has narrowed. The 14-point gap in 2013 (45% vs. 59%) shrunk to a six-point gap in 2015 (49% vs. 55%).



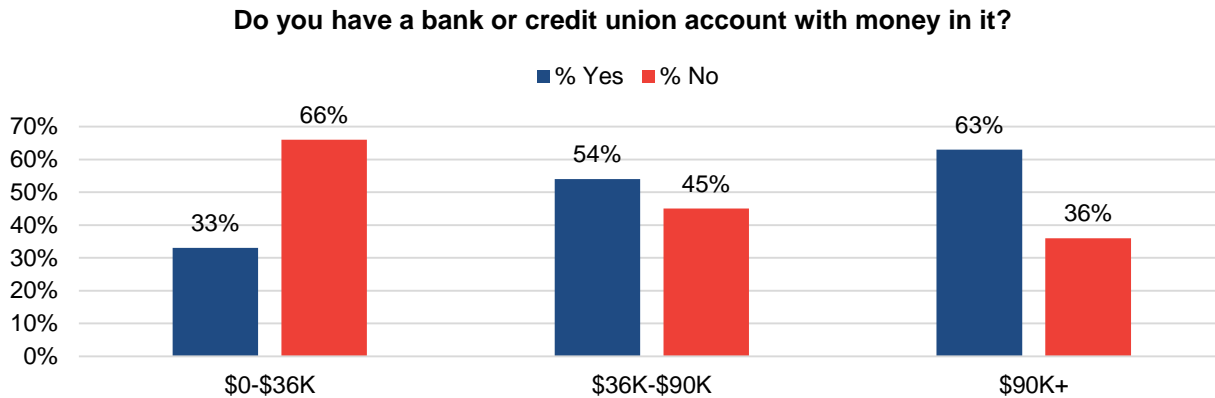
## LOWER-INCOME STUDENTS HAVE GREATER ENTREPRENEURIAL SPIRIT, FEWER RESOURCES

Students residing in households with an annual income of \$36,000 or less are slightly more likely than students living in households with an income of greater than \$90,000 to say they will both invent something that changes the world and start their own business. Forty-seven percent of students residing in households with an income of \$36,000 or less say they plan to start their own business, compared with 35% of students living in households with an income of more than

\$90,000. Further, 45% of students in the lowest income category say they will invent something that changes the world, compared with 39% of students in the highest income category.



However, lower-income students who show this greater entrepreneurial spirit may not be getting access to the resources they need to maximize their entrepreneurial potential. Far fewer students in the lowest income category (\$36,000 or less) have a bank or credit union account with money in it. Thirty-three percent of those students claim to have an account, compared with 54% in the middle income category and 63% in the highest income category.



Half of all students in the lowest household income bracket say their school teaches them about money and banking, compared with 54% of students in the middle income bracket (\$36,000 to \$90,000) and 52% of those who reside in households earning more than \$90,000.

Gallup’s research recognizes that the world’s entrepreneurs are born with rare talent. Using its Entrepreneurial Profile 10 (EP10) assessment, Gallup identifies the top 10 entrepreneurial talents of students and adults. While educated, engaged, hopeful kids are the future entrepreneurs of America, hopeful, lower-income students may find themselves with fewer opportunities for success and require intentional support and resources to realize their passion and potential.

## DEMOGRAPHICS

To understand students' attitudes and perceptions of their work and school life, researchers examined the relationship between the following demographics and items asked between 2011 and 2015: Gender, Race/Ethnicity, Income and Grade Level. Researchers condensed demographics into groups where there was a limited number of respondents or where there were continuous rather than categorical data. For example, researchers coded income into three income groups: \$0-\$36K, \$36K-\$90K and >\$90K. They coded Race/Ethnicity into two groups (white and nonwhite), and they coded Grade Level into two groups: 5-8 and 9-12.

The data show statistically significant differences between the perceptions of those in grades 5-8 and those in grades 9-12, including their entrepreneurial aspirations and aspects of financial literacy. There are also differences based on race/ethnicity and income. The percentage of students with a bank or credit union account with money in it differs for whites and nonwhites, and by income. There are also differences based on household income in students' incidence of having a bank or credit union account with money in it, and in the percentage of students interning with a local business.

While female students are equally as likely as male students to say they will invent something that changes the world, compared with previous years, fewer female students in 2015 said they knew their school offers classes in how to start and run a business. Forty-three percent of female students say know their school offers these types of classes, compared with 50% of male students who say the same. This represents the largest male-female gap since 2011, as well as the lowest percentage of female students to respond positively to this statement since tracking began.

## CONCLUSION: WE MUST CONTINUE TO CLOSE THE GAP BETWEEN ENTREPRENEURIAL ASPIRATION AND EXPERIENCE

Despite their entrepreneurial energy, students' limited exposure to workforce experience and education results in an energy-opportunity deficit that must be resolved to maximize the potential of America's next generation. While it is arguably preferable to have a shortage in young Americans' workforce experience than to have a shortage in economic energy — mainly because the latter is harder to fix — we must reverse the downward shift in students' involvement with entrepreneurial education and experience.

The nation desperately needs business leaders and organizations to rally in closing the opportunity-energy gap by providing opportunities and mentoring to students as they hone their entrepreneurial talents through practice and education. These opportunities must come early and often because students' entrepreneurial energy diminishes in high school.

To accomplish this, leaders from the public and private spheres must drive interventions and education aimed at eliminating resource gaps that could marginalize some students from full and meaningful participation in our nation's economy. American cities must ignite young Americans' economic energy earlier and more intentionally. The business startup rate drops as age increases, making it that much more important to nurture and engage students' entrepreneurial spirit early so they are prepared to start a business or invent something that changes the world.

Educators, community and business leaders and policymakers all have a role to play in formulating the plan to encourage students' entrepreneurial aspirations. Through advisory board and individual programs, such as HOPE Business in a Box, leaders can develop local efforts that help students connect with mentors in their communities. Additionally, learning opportunities via workshops, internships and jobs can help students unite their entrepreneurial intentions with the experience they need to bring their innovative ideas to life.

## METHODOLOGY

These Gallup-HOPE Index findings are based on results from a nationally representative telephone survey of 1,001 U.S. students in grades 5-12. Telephone interviews were conducted Oct. 5-Nov. 16, 2015. The sampling frame of this study came from the Gallup Daily tracking survey. The frame included respondents who had consented to be re-contacted and indicated that they had children under the age of 18. These respondents were re-contacted and screened for school-aged children in grades 5-12 in the household. Permissions were then requested from qualified parents or guardians for their students in grades 5-12 to participate in the Operation HOPE survey. The frame was stratified by race/ethnicity, education and household income, and proportionate selection was used.

The Gallup Daily tracking survey is an unprecedented survey of 1,000 U.S. adults each day, 350 days per year, covering political, economic and well-being topics. Gallup Daily tracking methodology relies on live interviewers and dual-frame telephone sampling (which includes random-digit-dial [RDD] list-assisted landline phone as well as RDD cellphone sampling to reach those in cellphone-only households) and uses a multi-call design to reach respondents not contacted on the initial attempt. Gallup interviewers employ a "most recent birthday" selection method for choosing adult respondents within a landline phone household. Gallup Daily tracking includes Spanish-language interviews for Spanish-speaking respondents and interviews in Alaska and Hawaii.

Daily tracking data are weighted daily to account for unequal selection probability and nonresponse by sample frame. The weights are also adjusted for the number of adults in a landline phone household and unequal selection probability because of dual-telephone-user status. Post-stratification weights are then constructed to compensate for nonrandom nonresponse among demographic groups using targets from the Centers for Disease Control and Prevention's National Health Interview Survey for telephone status and targets from the U.S. Census Bureau for age, sex, region, gender, education, ethnicity by race and population density. The resulting sample represents an estimated 95% of all U.S. households.

The weighting of the Operation HOPE data started with the Gallup Daily tracking weight as the initial weight. Selection weight and nonresponse weight from the sampling frame were then applied. The final step was the post-stratification on the adjustment of census regional distribution, parent/guardian age and educational characteristics, and child grade level. For results based on the total sample students in grades 5-12 (N=1,001), one can say with 95% confidence that the margin of error is  $\pm 4.4$  percentage points. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls. For more details on Gallup's polling methodology, visit [www.gallup.com](http://www.gallup.com).



## REFERENCES AND APPENDICES

	2011	2012	2013	2015
	N=1,721	N=1,217	N=1,009	N=1,001
<b>Entrepreneurial attitudes</b>	<b>(% Agree)</b>			
I plan to start my own business.	45.1%	42.6%	42.1%	42.2%
I will invent something that changes the world.	42.0%	42.1%	37.8%	42.1%
<b>Financial literacy and workforce participation</b>	<b>(% Agree)</b>			
The more education, the more money I will make.	86.5%	92.5%	87.5%	85.5%
My school teaches me about money and banking.	53.8%	65.5%	55.3%	52.4%
My school offers classes in how to start and run a business.	49.9%	58.4%	46.9%	47.1%
	<b>(% Yes)</b>			
Do you have a bank or credit union account with money in it?	56.9%	53.3%	52.0%	51.9%
Are you currently interning with a local business?	4.7%	7.4%	4.6%	5.1%
Have either of your parents or guardians ever started a business?	32.9%	31.6%	31.9%	35.7%
Do you run your own business now?	3.8%	N/A	3.0%	2.6%
<b>How many hours did you work at any paying job last week?</b>	<b>(Open-ended)</b>			
Less than one hour	79.7%	77.0%	82.1%	80.7%
One hour or more	19.5%	21.9%	16.9%	19.2%

<b>Well-being</b>	<b>(Mean score)</b>			
Please imagine a ladder with steps numbered from zero at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?	N/A	8.0	7.9	7.9
On which step do you think you will stand about five years from now?	N/A	8.7	8.6	8.7
Thriving	N/A	77.7%	73.4%	73.1%
Struggling	N/A	20.9%	26.1%	26.5%
Suffering	N/A	1.4%	0.5%	0.4%

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