



The Age of the Entrepreneur



How a new generation of business owners are doing things differently

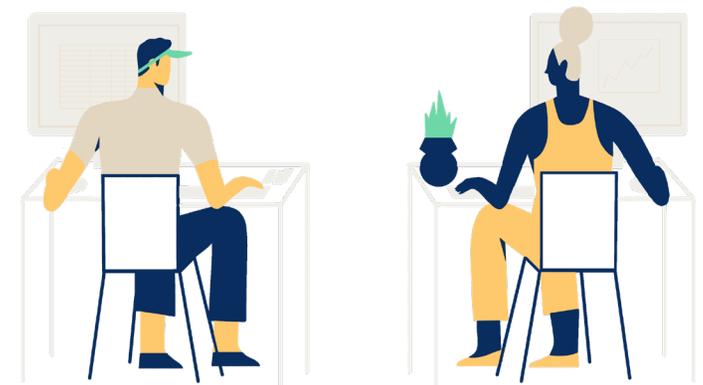
America is leaving the 9-to-5 job behind. Tens of millions of workers are walking away from the security—and rigidity—of the corporate ladder to go into business for themselves ¹.

Today, 17% of American workers make their main income from self-employment, whether running a start-up or working independently as contractors ². When you include part-time work, the self-employed segment of the workforce jumps to 30–40% ³. And it's growing, buoyed by a rising tide of hopeful young entrepreneurs.

Yet we still lack a clear picture of what life's really like for young business owners today. The prevailing narrative has focused on their desire for freedom—from bosses, from fixed work hours, from boring chats by the water cooler. But is that really what motivates them? And does the reality live up to the hype?

Bench surveyed 1,005 small business owners across America to find out. The Age of the Entrepreneur report examines the perceptions, misconceptions and challenges of entrepreneurship. We dive into the highs and lows of owning a small business, from motivations to money, bookkeeping to bottlenecks.

In particular, this report focuses on how a new ambitious generation of entrepreneurs aged 30 and younger are doing things differently. What we found was a group of determined individuals who are setting the tone for the future of entrepreneurship in America.





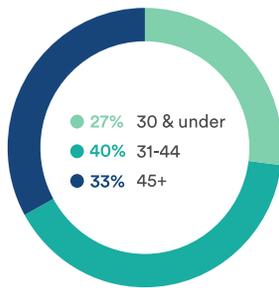
Demographics

THE AGE OF THE ENTREPRENEUR

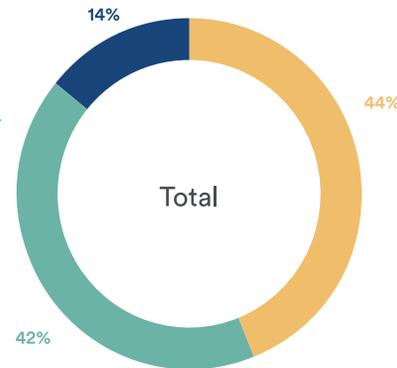


Who we talked to, and what they do.

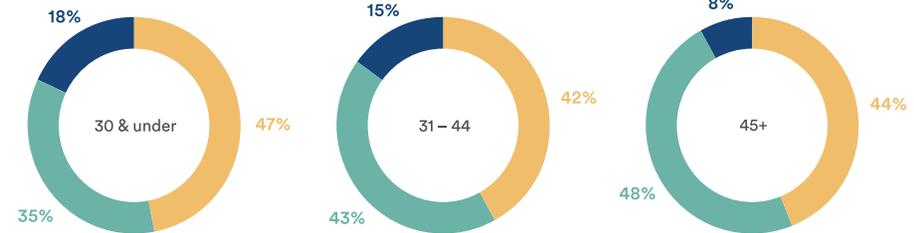
Graph of age breakdown



Overall group breakdown



- Freelancers
- Small business with less than 5 employees
- Small business with 5-10 employees



In this report, we segment the respondents into the following ranges:

- Young entrepreneurs (30 and under)
- Mid-career entrepreneurs (31–44)
- Late-career entrepreneurs (45 and over)

Across these age groups, the term “entrepreneur” covers a range of business types, from freelancers to start-ups with up to 10 employees.

A higher proportion of young entrepreneurs report going it alone—47% either work as freelancers or run their business as a solo venture.

On the other hand, this generation also includes a number of ambitious business-builders focused on growth. Of the young entrepreneurs we surveyed, 18% own a business with five or more employees, compared to just 8% of business owners over 45.



Taking the leap

Why entrepreneurs go into business—
and how real life measures up.

THE AGE OF THE ENTREPRENEUR



Big hopes

Why did you go into business?

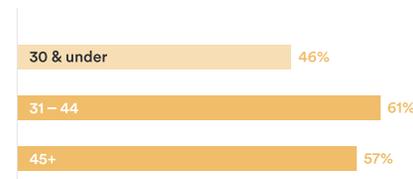


- 56% I wanted to be my own boss
- 50% I wanted a flexible lifestyle
- 42% I wanted to earn more money
- 38% I wanted to pursue a passion
- 17% I wanted to make a difference in the world
- 15% I wanted to start a side-gig
- 15% I want to build a big business

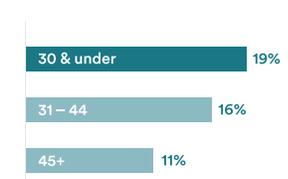
Most often, Americans are choosing to become entrepreneurs rather than being forced into it by circumstance. Only 7% start their businesses because they were laid off.

Instead, an appetite for control—whether that means being the boss or having a flexible lifestyle—is the most significant factor in the decision to strike out.

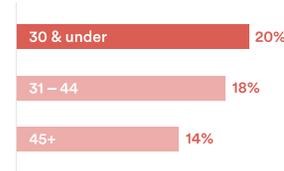
I wanted to be my own boss



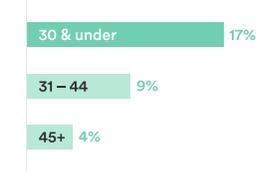
I wanted to start a side-gig



I wanted to make a difference in the world



I wanted to build a big business



Entrepreneurs age 30 and under are often motivated by ambition: a higher proportion are driven by the desire to make a difference in the world, start a side gig, or build a big business.

In fact, 17% of young entrepreneurs hope to create a big company— a rate that’s nearly double that of mid-career entrepreneurs and four times the percentage of late-career entrepreneurs. And, given that 18% of young entrepreneurs have five or more employees, it seems these young people are actually achieving what they set out to do.



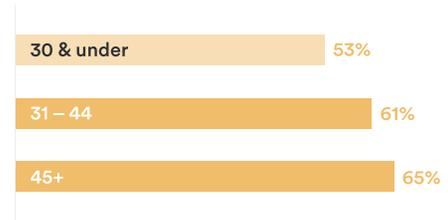
Common myths

What do you think are the biggest misperceptions about entrepreneurship?



- **60%** It's an easy way to get rich
- **56%** You'll have unlimited freedom
- **27%** People are born entrepreneurs
- **25%** You call the shots
- **24%** Business school prepares you for entrepreneurship

Myth: "It's an easy way to get rich"



Entrepreneurs of all ages agree: running a small business isn't an easy way to get rich. A whopping 60% named "easy money" as one of the biggest myths about entrepreneurship— a belief held strongly by late-career entrepreneurs.

Expectations...and reality

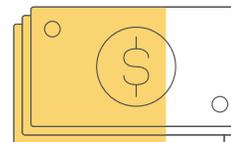
One theme that spans all generations: when it comes to starting a business, motivations don't line up with reality.



65% of entrepreneurs who sought a more flexible lifestyle feel limitations on their freedom



Less than a third of those who started a business to be their own boss feel they get to call the shots



64% of entrepreneurs who wanted to earn more money have found it's not an easy way to get rich



Getting it done

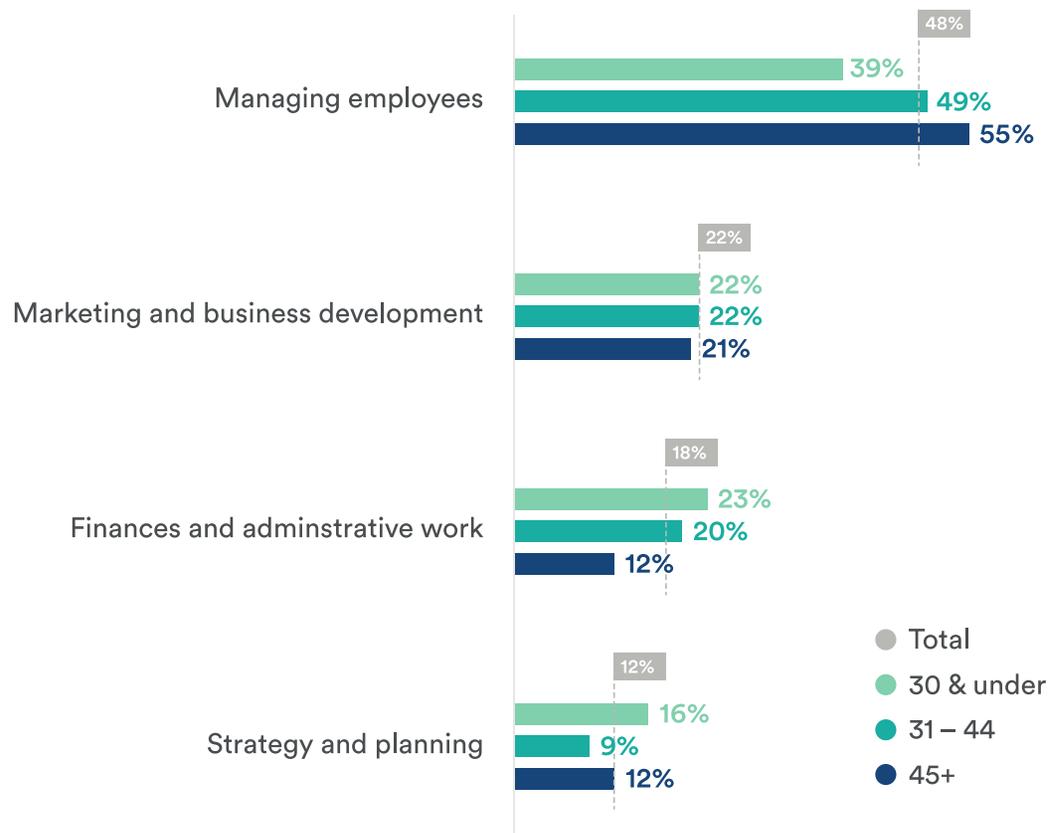
Priorities, stress, and day-to-day
challenges.

THE AGE OF THE ENTREPRENEUR



On the clock

How do you prioritize your time?



This graph includes only business owners with employees.

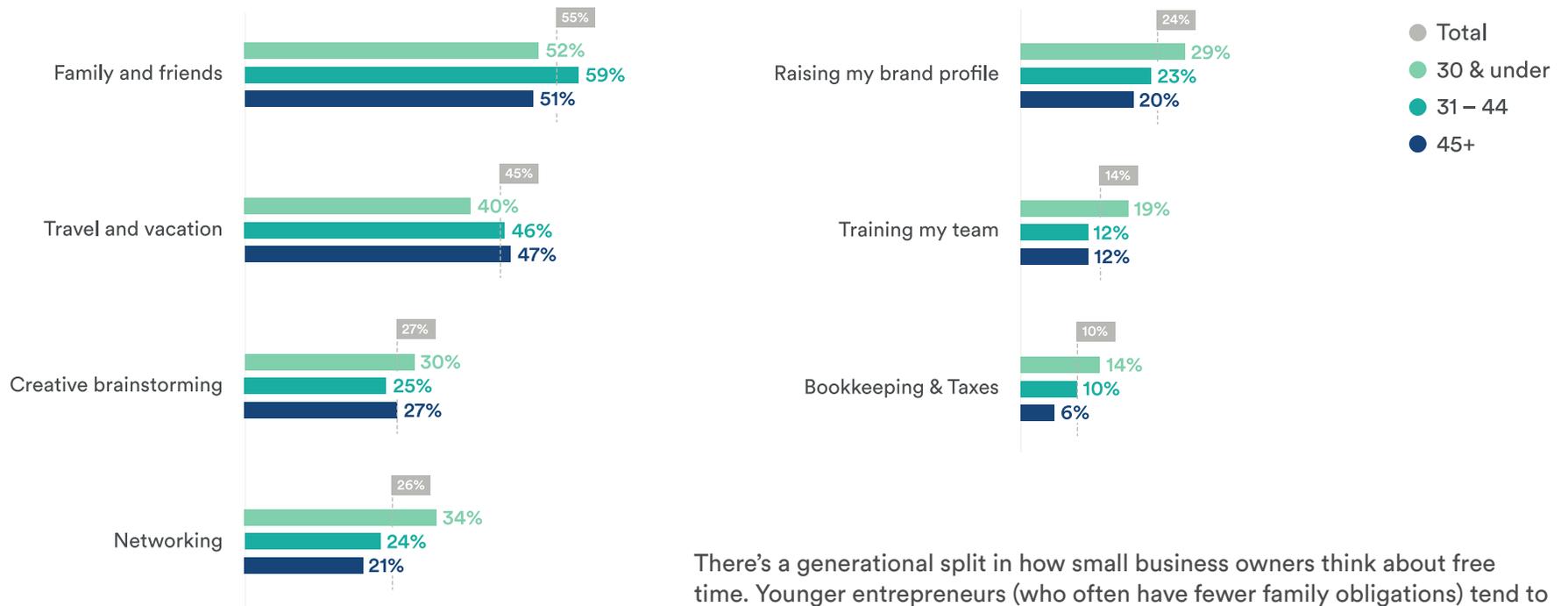
Only 39% of young entrepreneurs with employees make team management a top priority. In contrast, 55% of late-career entrepreneurs prioritize management, suggesting that they find it difficult to hand off control.

Young entrepreneurs, however, can get bogged down by busy work—nearly a quarter put finance and admin work ahead of their other responsibilities.



On the clock

If you had more time, how would you spend it?



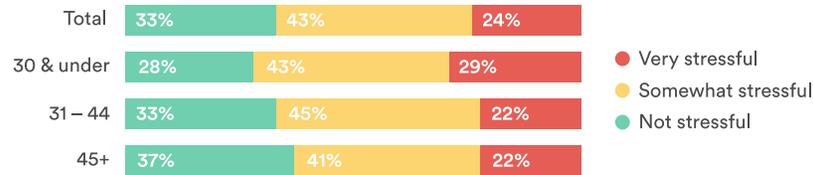
There's a generational split in how small business owners think about free time. Younger entrepreneurs (who often have fewer family obligations) tend to spend spare hours building their business.

In contrast, entrepreneurs over 30 would rather have more time for personal ambitions, such as travelling.

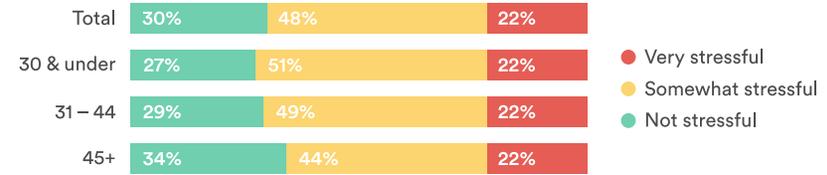


Under pressure

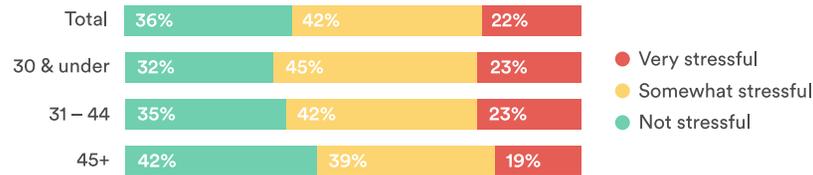
How stressful do you find doing bookkeeping and taxes?



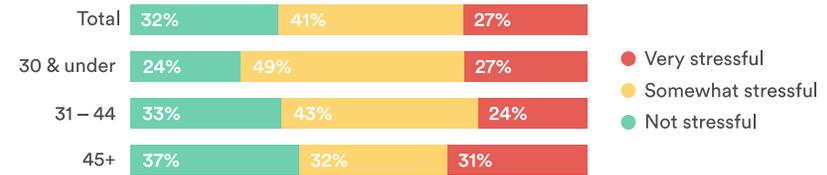
How stressful do you find getting clients?



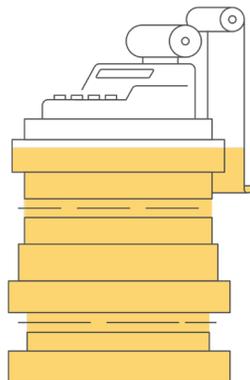
How stressful do you find working long hours?



How stressful do you find firing staff?



This graph includes only business owners with employees.



67%
of businesses have
additional stress due to
bookkeeping and taxes.

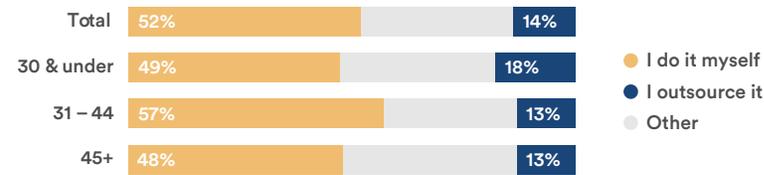
What keeps business owners up at night? It's no surprise that overall, entrepreneurs with employees say firing staff is the most stressful part of the job.

However, this differs slightly for young entrepreneurs who feel financial administration (including bookkeeping and taxes) is the single most stressful aspect of the job.

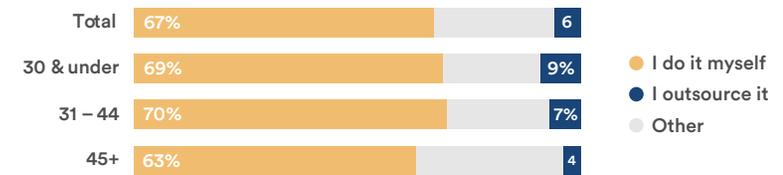


Who's outsourcing what?

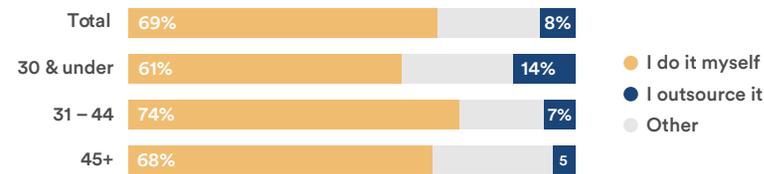
Web development



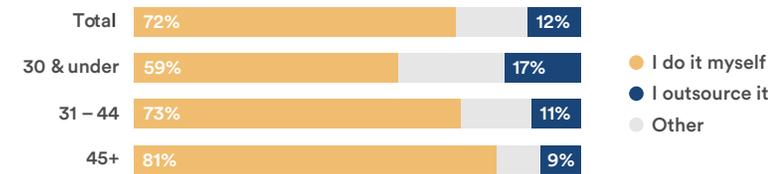
Copywriting



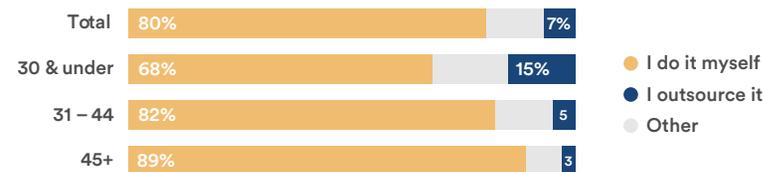
Social



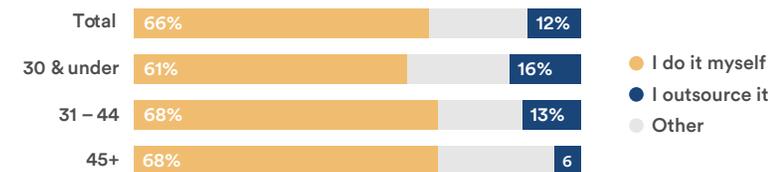
Bookkeeping



Managing Calendar



Design



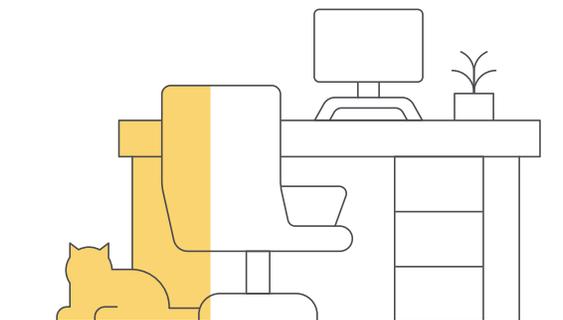


Who's outsourcing what?

31% of businesses outsource at least one of their key business tasks.



1/3 of entrepreneurs do all business activities themselves



Many business owners see value in getting expert help. Respondents indicated that 31% outsource at least one of their key business tasks, with young entrepreneurs leading the charge.

On the flip side, another third find it difficult to give up control, doing all business activities themselves. Late-career entrepreneurs are the most guilty of this.

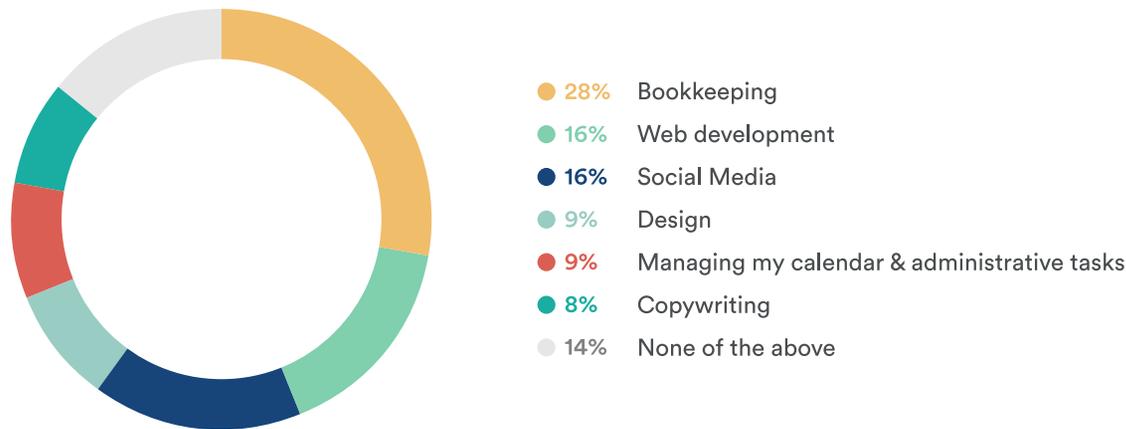
Young entrepreneurs recognize the value of delegation, more often choosing to outsource administrative and specialized tasks, such as scheduling, bookkeeping, web development and design.

After managing their calendar, bookkeeping is the task entrepreneurs are most likely to keep in-house, with 72% doing it themselves. And yet, as the next finding shows, it's also the one thing they'd most love to hand off to someone else.



Who's outsourcing what?

If you could only offload one of the following tasks, which would it be?



The task small business owners dread above all others? Bookkeeping, hands down. Nearly 28% of entrepreneurs would love to offload their books over any other to-do. Web development and social media are tied for a distant second at 16%.

A hate-hate relationship with bookkeeping

Small business owners really hate keeping their books. It consumes valuable time and causes them stress—plus, they rarely feel certain they're doing it right. In fact, 46% of entrepreneurs would rather get stung by a bee than do a month of bookkeeping.



46% of entrepreneurs would rather get stung by a bee than do a month of bookkeeping.



Follow the money

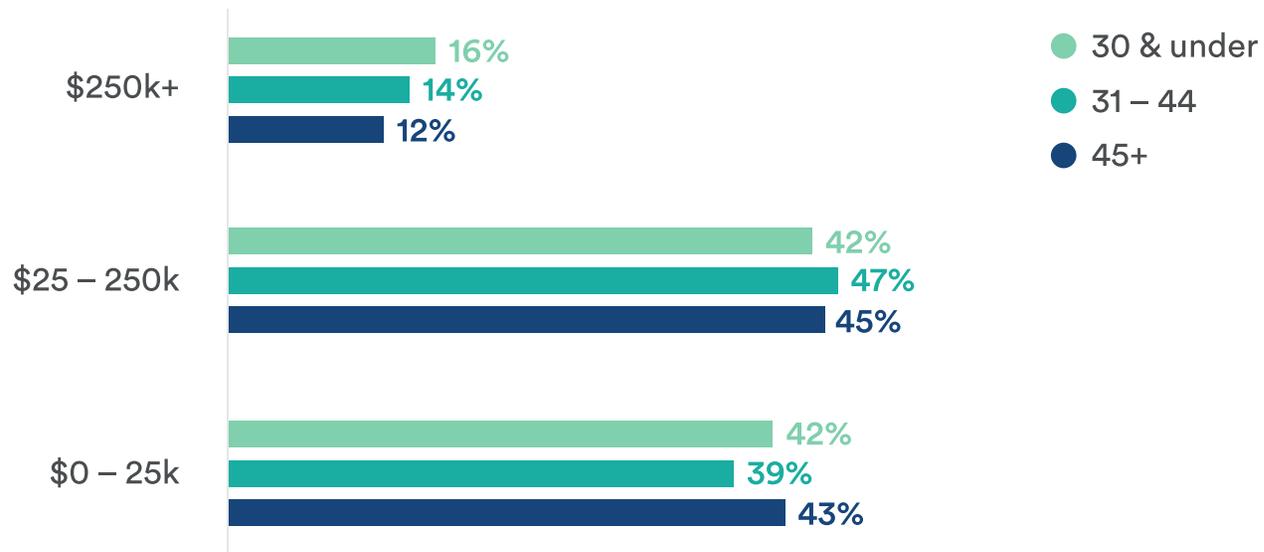
A peek inside the books.

THE AGE OF THE ENTREPRENEUR



Who's cashing in

Business Annual Revenue



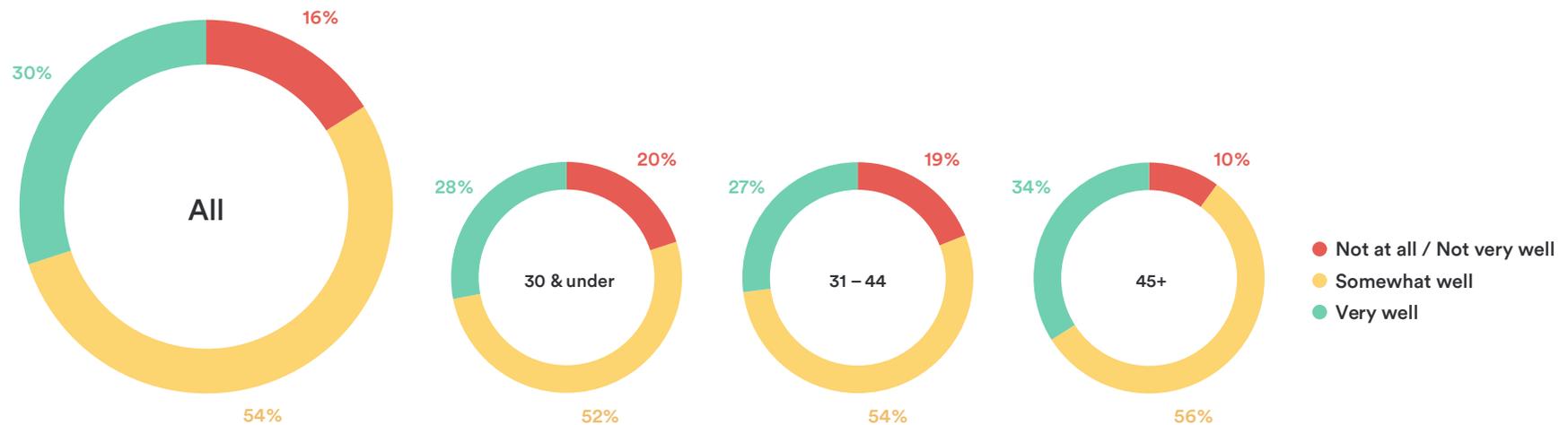
While small business owners agree that entrepreneurship is not an easy way to make money, some are doing pretty well.

Of the three groups, a greater proportion of young entrepreneurs pull in more than \$250,000 in revenue a year—a full 16%.



On shaky ground

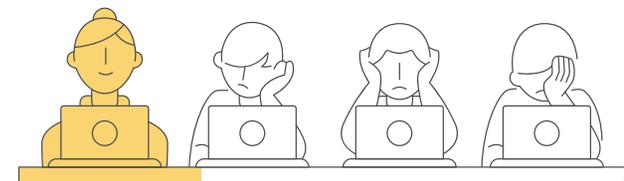
How well do you understand business finances?



Business owners don't have the knowledge they need to confidently manage their finances. In fact, 70% of entrepreneurs say they have gaps in their financial understanding.

Young entrepreneurs are the least confident about their financial knowledge: 1 in 5 admit they're lost when it comes to financial matters.

Only **30%** of entrepreneurs feel they have a very good grasp on business finances.





Conclusion

As the American workforce shifts towards self-employment, the next generation of business owners provide a snapshot of what's ahead.

Today's young entrepreneurs are moved by ambition: they want to make money, expand their businesses, and change the world. And they're willing to do what it takes to make that happen, spending their spare hours growing their network and bottom line.

The day-to-day of running a small business is harder than what people expected going in. Small business owners of all ages juggle conflicting priorities and face a lot of stress. And they're not always investing to get their largest sources of worry off their plates. Of all the tasks they're responsible for, entrepreneurs would most like to offload bookkeeping—but less than 15% actually do.

That said, the younger generation is starting to embrace a new approach. Compared to older business owners, young entrepreneurs are more convinced of the value of delegation and outsourcing tasks to specialists. With technology offering new and better ways to access expert help, they are finding ways to make entrepreneurial life more enjoyable—and, with any luck, more profitable as well.





Methodology

This study was conducted by Bench. The survey was distributed via Pollfish to 1,005 self-employed Americans with businesses that employ 10 or fewer people.

About Bench

Bench is North America's largest bookkeeping service. By pairing intuitive software with a team of dedicated bookkeepers, Bench gives small businesses affordable access to quality financial insights and tax-ready financials.

To learn more about us, visit bench.co.

Refer friends.

Get \$150 and free bookkeeping

REFER A FRIEND

¹ FreshBooks, 2018 Self-Employment Report <https://www.freshbooks.com/wp-content/uploads/2018/04/2018selfemploymentreport.pdf>

² US Federal Reserve, Report on the Economic Well-Being of U.S. Households in 2017 - May 2018 <https://www.federalreserve.gov/publications/2018-economic-well-being-of-us-households-in-2017-employment.htm>

³ McKinsey & Company, Independent work: Choice, necessity, and the gig economy <https://www.mckinsey.com/featured-insights/employment-and-growth/independent-work-choice-necessity-and-the-gig-economy>