

Enterprise on Low Income: MOTIVES, VALUE, EXPERIENCES

Context and problem

27% of people engaged in enterprise activities earn low incomes.* This suggests that enterprise activity does not always pay well.

What are the motives and experiences of people who engage in enterprise yet remain on low income?

*Government, S. (2016). Poverty rates by employment status in Scotland - 2014/15.

Researching this question

In our research, we spoke to 42 people engaged in enterprise and living on income below what the government defines as the poverty line.

What did we find by speaking to people engaged in low income enterprise?

1. Enterprise is often involuntary

In most cases, enterprise is a response to significant life situations (e.g. ill health, caring duties), industry norms (e.g. delivery driver) or unemployment, which leave people with limited options.



2. Atypical circumstances influence potential

Experiencing physical or health issues or having caring responsibilities influences an individual's potential to engage in business at full capacity.



3. Limited entrepreneurial capital constrains high-quality enterprise

Limited business skills and lack of access to funding constrain people to pursue high quality enterprise options.



4. People have little potential to scale up activity

In most cases, individuals are constrained from moving beyond low income conditions because their activities are not scalable for the individual.

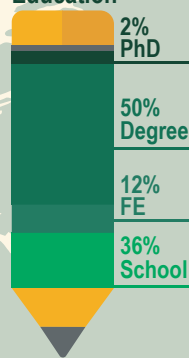


People want to achieve many types of value

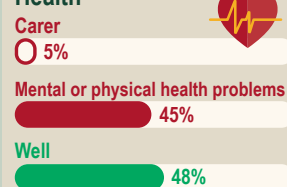
Individuals are drawn to the potential of enterprise to allow them to achieve a variety of personal value such as independence, control and flexibility.



Education



Health



Dependents



Ages




Industries

Accommodation and food, Arts, Construction, Education, Finance, Health, Information, Transportation, Retail and repairs, Others.

Join our think tank on low income enterprise

Enterprise can sometimes be a context of poor socio-economic circumstances. We want to start an evidence-based and inclusive conversation about enterprise for people on low incomes. As independent researchers, we can produce knowledge that includes the broad range of private sector businesses, not just the few 'high achievers', whose growth ambitions, strategies and needs are seen as universally applicable.

This new research on poverty and enterprise can also support:

 Policymakers with information on how to support the broad range of businesses.

 Insurance and pensions companies since low value enterprise is not currently well catered for.

For more information contact Dr Isla Kapasi at I.Kapasi@leeds.ac.uk or Prof. Laura Galloway at laura.galloway@ebs.hw.ac.uk or visit bit.ly/lowincomeenterprise (live in July 2019).