

MILLENNIAL ENTREPRENEURS ACHIEVE GREATER SUCCESS BY PRIZING PURPOSE OVER PROFIT

- Millennial entrepreneurs (those aged under 35) are driven by the desire to have a positive impact on their communities and economies and growing bigger businesses than previous generations
- The highest proportion of millennial entrepreneurs are based in the Middle East, Mainland China and Hong Kong
- Wealth management industry needs to adapt to this changing entrepreneurial landscape
- Read the *Essence of Enterprise* report here: <http://bit.ly/HSBCEnterprise>

A major new international report¹ from HSBC Private Bank has revealed how millennial entrepreneurs are succeeding in business by valuing purpose over profit.

The research among more than 2,800 active business owners, worth between USD250,000 and USD20m, finds that the most successful millennial entrepreneurs are distinguished by a desire to positively affect their community and economy. They are also significantly more likely to admire other successful entrepreneurs for their impact outside of business.

The key findings of the report reveal that:

- Millennial entrepreneurs are running businesses with turnover **+141% higher** than businesses run by older entrepreneurs (USD11.5m vs USD4.8m)
- 69% of millennial entrepreneurs say that having a **positive economic impact** was a factor in their decision to go into business, with 59% saying they wanted to have a **positive impact in their community**
- **Nearly half** (47%) of all millennial entrepreneurs are female, compared to 26% of over-55s
- The highest proportions of millennial entrepreneurs are in the **Middle East** (63%), **Mainland China** (44%), and **Hong Kong** (44%)
- On average, millennials' main venture employs more than **twice as many staff** as those of their counterparts over 35 (123 vs 58). They also have active shareholdings in five businesses, compared to just three for those aged over 35
- Among successful young entrepreneurs, 89% were actively involved in philanthropy last year

Commenting on the launch of the report, **Nick Levitt, Head of Global Solutions Group at HSBC Private Bank** said: "The new generation of millennial entrepreneurs are revolutionising the nature of entrepreneurship. They are starting in business younger than previous generations and are involved in a greater number of enterprises. These entrepreneurs are building bigger businesses and creating more jobs. They are as motivated to create an impact on the world as they are to make money and they are having a positive impact on their communities. We also see how they are changing the nature of diversity in business; for the first time ever, we are seeing near gender equality in the next generation of millennial entrepreneurs. Women across the world

are launching and operating new enterprises at an ever faster pace. This emergence reflects how women are forging ahead and succeeding in business.

“In the same way millennial entrepreneurs take a very hands-on approach to business, this is also reflected in their wealth management and philanthropy. The wealth management industry will need to shift its mind-set to a more entrepreneurial one, and adapt to serve the corporate as well as the personal needs of business-owning clients.”

Giving back strategically

The blurring of the lines between social and business objectives extends to philanthropic activities. The large majority (79%) of millennial entrepreneurs are actively involved in philanthropic activities and this number rises to 89% among the most successful young entrepreneurs², which is higher than other age groups.

In addition, they are keen to apply their expertise from the business world to generate maximum impact. Half (50%) of millennial entrepreneurs say that there is a clear strategy behind their giving and 44% say that their giving reflects social and cultural, rather than personal values. The most successful young entrepreneurs are also significantly more likely to give through investments with clearly defined social impact objectives.

Raising the next generation of business owners

Two-thirds (67%) of millennial entrepreneurs come from a business-owning family demonstrating the importance that this background can play in early business success. And among the most successful entrepreneurs, the proportion is even higher (80%).

The report shows how this heritage in business lends itself to the entrepreneurial mind-set earlier in life. When asked about the point at which they started to see themselves as entrepreneurs, 44% of millennial entrepreneurs with a family business background identified their formal education or said they had always thought of themselves as an entrepreneur, compared to 33% of those without this background.

On the influence of a family business background, Nick Levitt said: “Clearly, an individual’s upbringing can have a significant impact on the entrepreneur they eventually become. The practical support and connections provided within a business-owning family can be invaluable in growing larger enterprises. Yet, the report also shows how this background also nurtures a distinctive mind-set in the way that entrepreneurs perceive themselves and the way they conduct business.”

Commenting on the *Essence of Enterprise* campaign, Peter Boyles, Chief Executive of Global Private Banking adds: “HSBC Private Bank’s vision is to build on HSBC’s commercial banking heritage and be the leading private bank for business owners and principals. Our strategic focus is centred on supporting the human ambition of entrepreneurs who build businesses, create jobs and give back to the communities in which they operate, both from a business and a personal perspective. I welcome this report which takes us an important step forward in understanding the motivations of entrepreneurs in different countries around the world.”

To read the full *Essence of Enterprise* report and view the infographics visit:
<http://bit.ly/HSBCEnterprise>.

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Media enquiries to:

Matt Whitbread

H+K Strategies

Phone: +44(0)20 7413 3515

Email: matthew.whitbread@hkstrategies.com

Chris Thomas

H+K Strategies

Phone: +44(0)20 7413 3184

Email: chris.thomas@hkstrategies.com

Notes to editors

Follow @HSBC and the #HSBCEnterprise hashtag on Twitter for further updates on the Essence of Enterprise campaign

About the research

1. The research was conducted online between August and September 2015 by an independent market research agency. There were a total of 2,834 respondents. Throughout the press release, 'entrepreneurs refers' to people who have a) actively own or have derived their wealth principally from a business; and b) have a personal wealth of more than USD250,000. 'Millennials' refers to people under the age of 35 at the time of the survey. 'Successful' entrepreneurs have been defined as those with a business turnover of over USD6.5 million. The research covered Mainland China, Hong Kong, Singapore, UK, Germany, France, US and the United Arab Emirates and Saudi Arabia.

2. The reference "Successful young entrepreneurs" has been defined as those under the age of 35 who have a business turnover of over USD11.5m in the Essence of Enterprise report.

About HSBC Private Bank

As part of the HSBC Group, one of the world's largest banking and financial services organisations, HSBC Private Bank seeks to be the leading international private bank for business owners and their families. It provides clients with wealth, business and family succession solutions in the largest and fastest growing markets around the world. HSBC Private Bank is the marketing name for the private banking business conducted by the principal private banking subsidiaries of the HSBC Group.

For more information, visit www.hsbcprivatebank.com

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