



## INVEST EUROPEAN REPORT

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## 1. Introduction

“INVEST- Financial and forecasting models for entrepreneurs” is a two-year (2016 - 2018) European project which aims to provide young entrepreneurs with educational tools to help them make responsible choices according to their business’ financial-economic availability and predictable development.

Young micro-entrepreneurs will be invited to take part in the “INVEST WISELY” course, and benefit of a flexible, but also customized, training model dealing with financial literacy issues in accordance with their specific needs to guide them how to make good choices with regard not only to their business but also to their personal finance.

In order to define the course’s contents and delivery methods, and understand the above-mentioned learning needs, the partnership investigated the level of financial literacy among young entrepreneurs in the Partner countries.

A research methodology was designed in order to address as much target audience as possible, as well as ensuring quality of the contents and useful feedback.

In order to achieve this aim, analysis activities through an in-depth assessment of the target group’s needs was agreed among partners.

The field research has been conducted through the collection of questionnaires aiming to understand the training needs of the target group in the five Partners’ countries: Malta, Italy, Greece, United Kingdom and The Netherlands.

An online survey was designed for the data gathering on knowledge and challenges for becoming a micro-entrepreneur targeting young micro-entrepreneurs (age 18-34 years old).

The questionnaire included questions regarding general information (gender, age, educational background, etc.), the level of confidence with financial and services products and their interest in taking part in training courses on financial literacy issues (at level of contents, delivery and assessment).

The first part of this report presents the results of the desk research conducted in the Partner countries regarding the economic and legal context related to young entrepreneurs; while the second part contains a resume of the data collected through the on-line survey with conclusions and recommendations according the needs and challenges young entrepreneurs are facing.

The template of the questionnaire as well as the data collected from each country are included as appendixes.

## 2. Young entrepreneurs: economic and legal context and data

### 2.1 Malta

The Maltese 'non-financial business economy' relies more on SMEs than the EU average. Indeed, the SME share of value added is 80 %, 23 percentage points higher than the EU average. SMEs also provide 81 % of jobs, exceeding the EU average by 14 percentage points. Micro firms are particularly important for the 'non-financial business economy', as they generate one third of value added and account for approximately one third of employment.

Class size	Number of enterprises		Number of persons employed			Value added			
	Malta		EU28	Malta		EU28	Malta		EU28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	25 371	93.5 %	92.8 %	42 574	32.5 %	29.5 %	1.4	33.0 %	21.2 %
Small	1 399	5.2 %	6.0 %	31 075	23.7 %	20.2 %	1.2	27.7 %	18.0 %
Medium-sized	318	1.2 %	1.0 %	32 476	24.8 %	17.0 %	0.8	19.7 %	18.2 %
<b>SMEs</b>	<b>27 088</b>	<b>99.8 %</b>	<b>99.8 %</b>	<b>106 125</b>	<b>81.0 %</b>	<b>66.8 %</b>	<b>3.4</b>	<b>80.4 %</b>	<b>57.4 %</b>
Large	52	0.2 %	0.2 %	24 861	19.0 %	33.2 %	0.8	19.6 %	42.6 %
<b>Total</b>	<b>27 140</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>130 986</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>4.2</b>	<b>100.0 %</b>	<b>100.0 %</b>

These are estimates for 2015 produced by DIW Econ, based on 2008-2013 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'non-financial business economy', which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

Source: *Small Business Act Report (2016)*

In 2015-2017, SME value added is predicted to grow by 13 %, while employment growth is expected to be 3 %. While all SME size-classes are expected to contribute to this growth, the highest growth rates are forecasted for micro firms. By 2017, a 15 % rise in value added and a 4 % increase in employment are predicted for micro enterprises.

The financial instruments launched since 2010 include the 'JEREMIE', 'MicroInvest', 'MicroCredit', 'MicroGuarantee' and 'ERDF Startup Grant' Schemes, which provide tax credits, grants or financial guarantees to SMEs. These instruments assist private enterprises to cover costs such as investments, operational expenses and consultancy services, and are financed through a combination of local and EU funds.

The incentives which specifically target micro- entrepreneurs, with particular reference to those pertaining to generation Y (18-34 year olds) are outlined below:

✓ TAKEOFF

TAKEOFF is a business incubator, co-funded by EU funds (85%) and national funds (15%), that helps technology and knowledge-based entrepreneurs and start-ups transform their ideas and innovations into market- and investor-ready businesses. The TAKEOFF Seed Fund Award, which is a joint initiative between the Centre for Entrepreneurship and Business Incubation (CEBI) at the University of Malta and the Ministry

for the Economy, Investment and Small Business (MEIB), allocates an award of €100,000 to researchers and/or entrepreneurs to help them take their innovative ideas to the next stage of commercialisation.

✓ The PwC €1 million Start-up Fund

Set up in 2013, PricewaterhouseCoopers Malta is dedicating €1 million per annum in pro-bono services to assist entrepreneurs in nurturing their business during the critical stage of starting up and growing a new business.

✓ MITA Innovation Hub

To help synergise ongoing incubator and start-up activities into one network, MITA Innovation Hub collaborates with the University of Malta's Centre for Entrepreneurship & Business Incubation (CEBI) and the TAKEOFF incubator, the Microsoft Innovation Centre at SkyParks Business Centre, PwC's 1Million Euro Startup Fund initiative and the Malta College of Arts Science and Technology (MCAST) at their recently assigned units at the Kordin Business Incubation Centre.

✓ MCAST Entrepreneurship Centre (MEC)

MCAST launched its Entrepreneurship Centre (MEC) in 2015. The MCAST Entrepreneurship Centre (MEC) aims to provide MCAST students and alumni with the opportunity to transform their creative and innovative ideas into profitable and sustainable business ventures. The MEC encompasses a series of activities that address the needs of MCAST students and alumni delivering tailored business training, facilitating business registration, enhancing access to markets and providing spaces for business development. Additionally, working in partnership with non-profit, public and private sector organizations, the MEC focuses on supporting start-ups to grow into enterprises.

✓ Business First

Business incubation is an economic development tool designed to accelerate the growth and success of entrepreneurial start-up efforts through the mobilisation of an array of business resources and services. To fulfil its mission in support of SME formation and growth, Malta Enterprise is managing the Kordin Business Incubation Centre (KBIC), which is a mixed technology oriented style incubator. It offers services such as Business Advisory, Investment Tax Credits and specific Tax credits to support micro enterprises (employing less than 30) and the self-employed invest in their business, innovate, expand, implement compliance directives and/or develop their operations.

## 2.2 The Netherlands

### Importance of entrepreneurship to the Netherlands

Entrepreneurship, innovation and internationalization have been key drivers behind the economic prosperity of The Netherlands. Through continuous innovation and an open mindset to internationalisation, Dutch entrepreneurs have succeeded in making the Netherlands one of the most productive and competitive economies in the World.

### Past decades

After a period of economic turmoil, we are now slowly seeing signs of recovery. In regaining higher structural growth, Dutch entrepreneurs will evidently play a crucial role. It is through entrepreneurs, both existing and new, that new business opportunities are sought out and exploited. It is through entrepreneurs that innovations are brought to the market, raising productivity, creating jobs and increasing living standards.

The past decades have shown a strong growth of the business ownership rate (excluding agriculture) in the Netherlands, from below 8% in the mid-1980s to about 12% in 2012. In recent years the Netherlands even attained a top position within the EU in terms of its early-stage entrepreneurial activity rate (TEA). However, the growth of the number of entrepreneurs since 1996 was mostly due to an increase in the number of solo self-employed without personnel (Panteia/EIM, 2011b). The number of independent entrepreneurs with personnel remained rather constant over that period. The percentage of solo self-employment is also relatively high by international standards, at 70% in the most recent year for which figures are available, 6%-points up from 1992. At the same time the growth ambitions of early-stage entrepreneurs, as measured by the Global Entrepreneurship Monitor, are seen to be relatively modest compared to the group of innovation-driven economies as a whole. Consistent with this fact is the observation that, at least until recently, the percentage of fast growing firms has been relatively low by international comparison. However, since 2007 the Dutch performance with respect to the incidence of high-growth firms was seen to be slowly improving. Overall, business dynamics in the Netherlands appear to be relatively vital, although a positive effect on productivity may be diminished by the growing percentage of solo self-employed among start-ups and the relatively modest firm growth expectations of early-stage entrepreneurs.

### Early-stage entrepreneurship

The Netherlands have come a long way from performing below average in terms of early-stage entrepreneurship in 2002-2004, to reaching a prominent position within a group of benchmark countries since 2010, no longer very far behind the US TEA-rate. In 2012 the Netherlands were even first of class in the EU-15 area with a TEA-rate of 10.3.

### Policy

Maintaining an internationally competitive business environment requires permanent effort. This is why the Dutch government launched a new enterprise policy consisting of two tracks in 2010. The first track focuses on excellent framework conditions as they apply to all enterprises. More specifically this track is an “economic agenda” that strengthens the innovation framework, reduces the burden of regulation, improves access to finance and ensures a better match between the education system and the labour market. The second track acknowledges the government’s role in building multi-actor eco-systems that can deliver an above average contribution to economic growth and prosperity.

*Based on source: Entrepreneurship in the Netherlands, Panteia, 2014.*

## 2.3 United Kingdom

In 2015 608,110 businesses were started in the UK, which was a new record compared to 2014's 581,173 start-ups (Yoshioka 2016). More people than ever are deciding to strike out on their own, suggesting that this is a sustained cultural shift towards entrepreneurialism rather than a short-term response to the financial crisis and a poor job market (Yoshioka 2016). Research compiled by the Global Entrepreneurship Monitor (GEM), places the UK ahead of its European counterparts in total early-stage entrepreneurial activity, and is only below the US (GEM UK 2015).

There are many reasons for this shift. Firstly, as in most advanced economies, autonomy and creativity are being valued higher than stability and a linear career path, factors that previously had traditionally driven most workers. Additionally, changes in work practices, such as a growing popularity of remote and flexible working are making it easier for potential entrepreneurs to manage new ventures alongside other commitments (Fillis & Rentschler 2010).

As well as this, the UK's regulatory environment is well suited to entrepreneurship (Gov. UK 2017). There is a flexible labour market, and a favourable tax regime, as well as extensive support from the government, with a number of start-up support schemes all trying to incentivise business activity.

Finally, the UK's regulatory and policy environment is particularly hospitable towards entrepreneurs, with flexible labour markets, a favourable tax regime and a whole host of government start-up support schemes (e.g. Start Up Loans and the New Enterprise Allowance) all incentivising business activity (Gov. UK 2017).

Another encouraging statistic is the increasing rate of young people becoming entrepreneurs. According to BNP Paribas (2015), young people (aged 35 or under) are starting twice as many businesses than adults over the age of 50. Their enterprises are largely in new sectors, including the social economy. However, traditional businesses, such as retailers or business service providers, remain as popular start-ups. The majority of young entrepreneurs come from families who have an experience of running their own business. Therefore, more needs to be done in education and vocational teaching to promote entrepreneurship.

Geographically within the UK, it is less balanced. London continues to outperform the rest of the country (with over 200,000 company formations in 2015), thanks to its high quality entrepreneurial support structures, talent and access to finance (CFE 2016).

But other areas are also experiencing a growth in entrepreneurial activity. Cities such as Manchester, Edinburgh, Glasgow, Bristol and Birmingham also have thriving entrepreneurial economies. This even extends to local authorities in proximity to large cities. Areas such as Watford, Warrington and Luton have very high start-up rates in relation to their small populations (CFE 2016). This suggests some local authorities are managing capitalising on their proximity to big cities.

However, there is still some way to go before the UK can truly capitalise on its entrepreneurial potential. The RBS Enterprise Tracker has consistently found that while around a third of UK adults surveyed would like to start their own business, only around 6% are doing so at any single time (RBS 2017). Additionally, GEM identifies fear of failure as a significant barrier to enterprise in the UK, with 43% of the population affected compared to 40% in Germany and 30% in the US (GEM UK 2015).

## 2.4 Italy

It is widely recognized that entrepreneurship is an outstanding key aspect for the domestic economic development. Anyhow, entrepreneurial rates are strictly linked to other important factors impacting - positively or negatively - on the willingness of individuals to start a new business opportunity. Indeed, as Shane has argued, entrepreneurship is not merely the formation of new firms but it should be conceived as a «process of identification, evaluation and exploitation of opportunities»<sup>1</sup>. These opportunities lie on specific country's assets such as economic and institutional contexts, culture and education and affect, on different levels, the probability to become an entrepreneur.

Italy, like any other EU countries, is facing big social and economic challenges and youth unemployment is one of those. The youth (15-24 years old) unemployment rate in Italy reached 40.3% in 2015 which is double the EU28 (20.3%) and EURO Area - 19 countries - (22.4%) youth unemployment rates.<sup>2</sup> Moreover, even if not all youth would be expected to be actively involved into labour market (they can still be in education), the rate of labour market participation for youth provides some insight into the health of Italian labour market. Eurostat survey reveals that Italian participation rate for youth in 2014 was 27.1%, compared to an EU average rate of 41.7%.<sup>3</sup> This data shows big problems within Italian economic and institutional environments: they are really difficult and somehow fragile.

Notwithstanding these data, OECD 2016 review "*Supporting Youth Entrepreneurship in Italy*" shows big differences between self-employment and business creation rates among youth and this is due to the kind of picture these measures paint. Self-employment rate (based on Eurostat data) refers to people aiming at employing only themselves or few people in a non-incorporated business whereas business creation (nascent entrepreneurship and/or new business ownership rates, both developed by GEM, Global Entrepreneurship Monitor [www.gemconsortium.org](http://www.gemconsortium.org)) pick-up people actively involved in setting up a business they will own or already owned and incorporated. To be more clear, anyway, we must consider that youth range for self-employment is 15-24 years old, whereas GEM's measures pick-up young people in the range of 18-30 years old. The results are the following:

- In 2014 self-employment for youth was 13.5%, nearly three times the EU average (4%);<sup>4</sup>
- In the period 2009-2013, 3% of young people were trying to set-up a new business (the third lowest in EU) whereas nearly 2% were running a new one (the lowest in EU).<sup>5</sup>

If we add "education" as variable to the aforementioned outcomes, data show that in Italy youth willing to be self-employed double (2007-2010) or even triple (2011-2015) if they have upper secondary and post-secondary (not tertiary) education (Table 1). The same is showed in Table 2 by GEM's measures considering the total of early stage entrepreneurial activity (new business or running up to 3 years and half) of adult population (18-64 years old): 33% of new entrepreneurs gained a high school diploma, 30%

<sup>1</sup> Shane, S. (2012). Reflections on the 2010 AMR Decade Award: delivering on the promise of entrepreneurship as a field of research. *The Academy of Management Review*, 37(1), 10–20.

<sup>2</sup> Source: Eurostat <http://ec.europa.eu/eurostat/web/youth/statistics-illustrated>

<sup>3</sup> EUROSTAT (2015), *Labour Force Survey 2005-2014*

<sup>4</sup> *Ibidem*

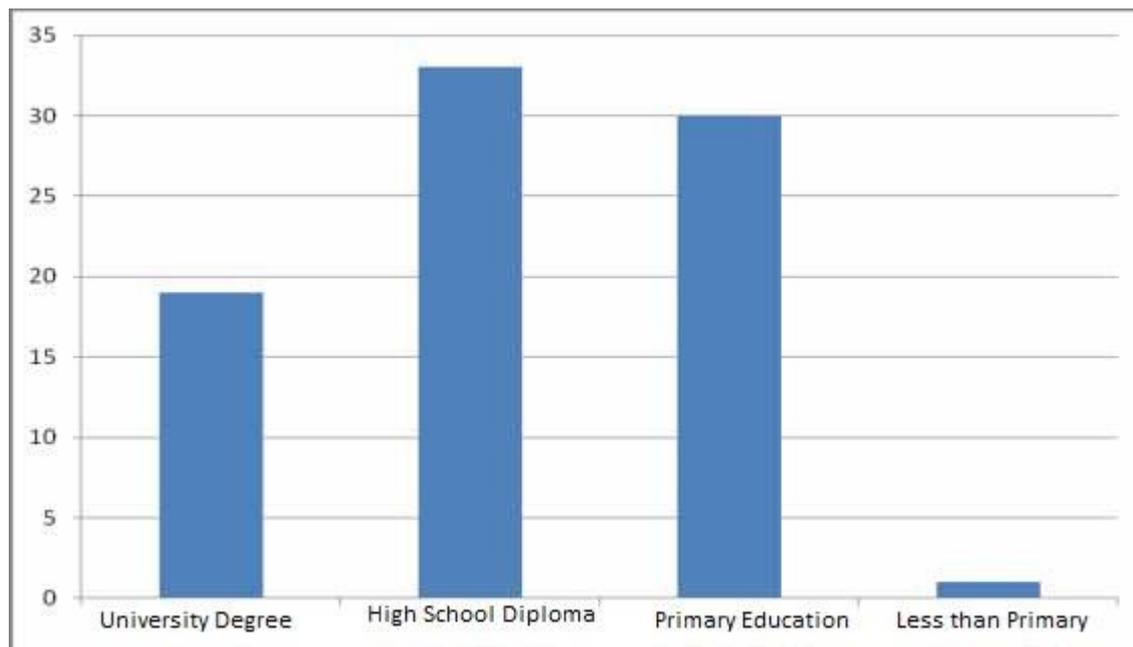
<sup>5</sup> Source: GEM in OECD Review, 2016, *Supporting Youth Entrepreneurship in Italy*, p.19.  
GEM and University of Padova (2014), *GLOBAL ENTREPRENEURSHIP MONITOR ITALIA 2014*

completed the primary education, nearly 2% has less than primary education, whereas 19% gained a university degree.

1. Table1: Youth (15-29) self-employment (Unit: thousand) (Source: EUROSTAT)

	YEAR	2007	2008	2009	2010	2011	2012	2013	2014	2015
Less than primary, primary and lower secondary education (levels 0-2)	EU (28 countries)	753,1	710,9	625,2	584,9	512,8	489,4	463,4	465,8	467,4
	Italy	155,8	137,7	115,8	115,7	92,6	87,9	76,2	79,8	77,2
Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	EU (28 countries)	1.634,2	1.610,7	1.531,6	1.481,2	1.453,8	1.410,8	1.343,2	1.341,1	1.330,7
	Italy	310,9	282,5	257,0	261,3	259,5	255,3	239,2	219,2	213,6

2. Table 2: Entrepreneurial Activity (18-64) (Source: GEM)



On the basis of this, Italian scenario reveals that youth appear to be more attracted in self-employment (mostly due to the peculiarity of Italian economy based on small business sector) than running and owning a new business because of institutional constraints and barriers which lead to other results: high youth unemployment and low rates of entrepreneurship among young people.

Generally speaking, at institutional level, barriers refer to administrative efficiency and “heavy” bureaucracy which have widened the gap between Northern and Southern areas of the country. Moreover, youth face constraints to entrepreneurship path because of:

i) lack of business skills, since Italy offers really few education and training programmes aiming at exploiting their potential;

- ii) lack of necessary experiences to start and run a business since social policies, very often, support unemployment instead of youth entrepreneurship;
- iii) financial bottlenecks, since young people have more difficulties than adults in obtaining loans.

## 2.5 Greece

In other countries, entrepreneurship gets stimulated already through the universities, with the support of spin-offs for creating startups, while the chambers function as incubators.

In Greece, young people do not receive the same support and try to develop their own entrepreneurial culture without structured guidance and without an institutional framework that protects them during their first steps.

The problem with startups in Greece is that most of these either stop their operation after a while either migrate to countries with more favorable tax legislation.

Specifically, the investigation of “Endeavor” conducted in April 2016, on the “exit of Greek businesses”, reports that 40% of startups wishes to transfer its headquarters abroad mainly due to:

- Tax instability (60%)
- Access to funds (55%)
- High taxation (51%).

The companies, in order to develop, need access to funds following a simple, no time consuming procedure. Delays and bureaucracy in initial investments, where efficiency and speed is necessary, adversely affect the early stages of a startup.

Unfortunately Greece does not have a stable tax and business environment to attract high-level employees and high-level investors. The continuous changes of legislation cause uncertainty and risk, two concepts-enemies of entrepreneurship and investing.

Another big problem in Greece are the inflexible and unpredictable costs: social security contributions, vocation fees, problems in venture, judicial time. Social security contributions is a major problem especially when a young entrepreneur starts something and necessarily has to pay excessive contributions for social security without any revenue.

Finally, the over-taxation makes Greek companies to relocate abroad.

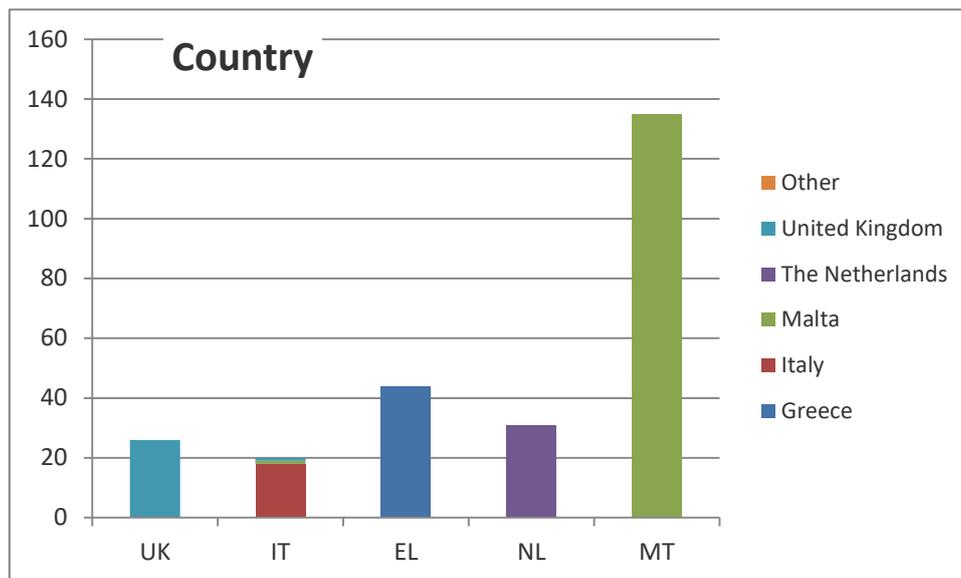
### 3. General information

#### 3.1 On-line survey results:

The data collection took place between December 2016 and March 2017. The on-line questionnaire (survey monkey) was developed in English and translated into the national language by each of the participating countries. Target population were young micro-entrepreneurs, students and/or workers.

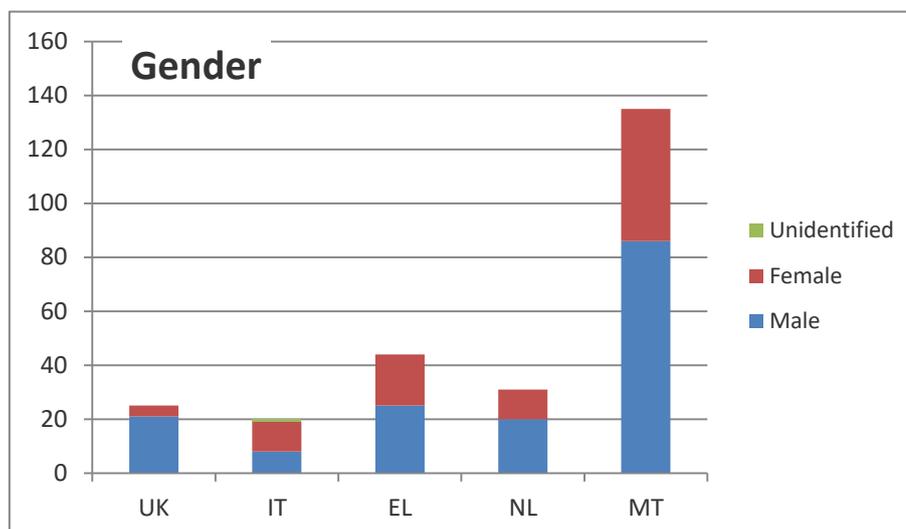
The number of respondents varies depending on the country:

In total **256 respondents** participated in the survey.



**United Kingdom:** 26 respondents, **The Netherlands:** 31, **Malta:** 135, **Italy:** 18 and **Greece:** 44 respondents.

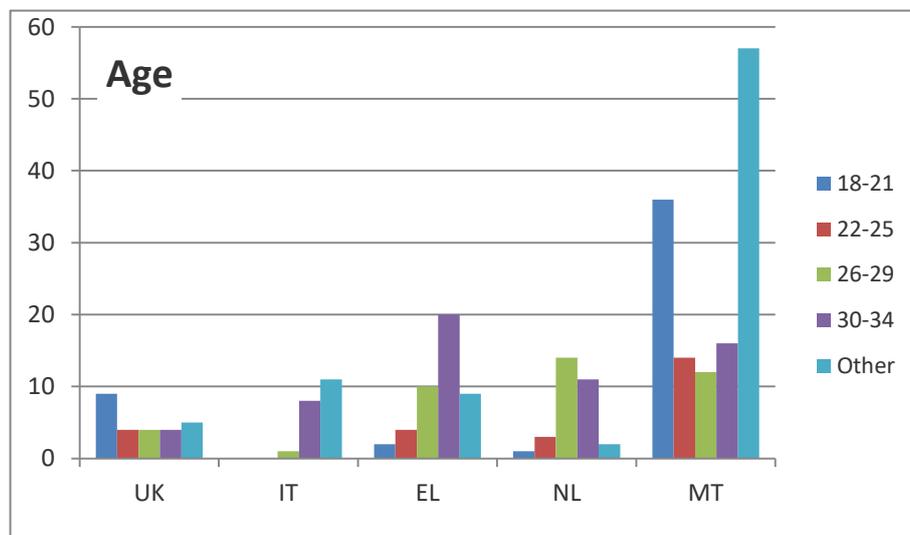
#### 3.2 Gender



- Male respondents: 160
- Female respondents: 94
- Unidentified respondents: 1
- Skipped: 1

The data shows that respondents are overwhelmingly men (almost double compared to women). This highlights that “becoming an entrepreneur” is more common between them. At European level there are several studies and policies for supporting women in becoming successful entrepreneurs as well. This should also be considered by the project consortium both in defining and in testing the INVEST course.

### 3.2 Age

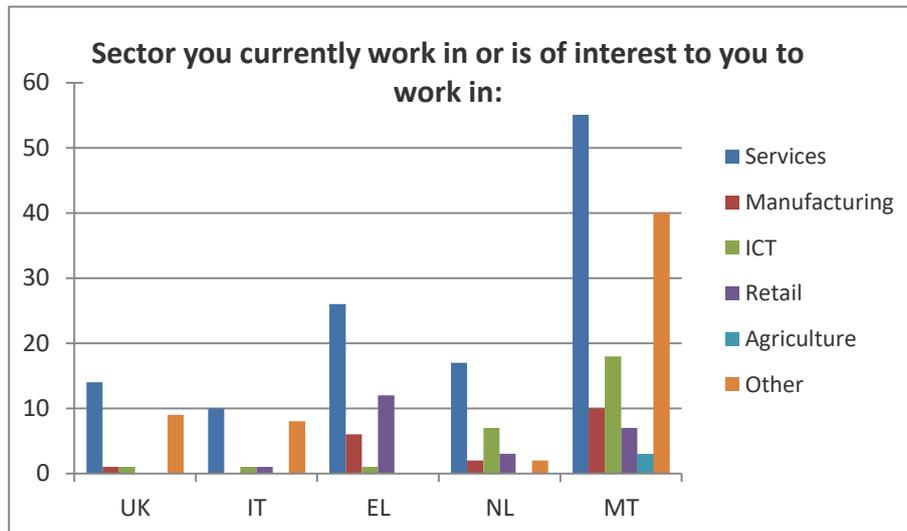


- 18-21 years old: 48
- 22-25 years old: 25
- 26-29 years old: 41
- 30-34 years old: 59
- Other: 84
- Skipped: 0

In total, amongst the four specific age groups, 173 of respondents correspond to 18 – 34 years age group, compared to the 84 “other” respondents who do not form part of INVEST’s target audience. This figures give the consortium the reasons to consider the findings reliable highlighting a good level of interest in financial literacy among young people, the project main target group.

At the same time, the high level of respondents belonging to “other” age groups indicates the possibility of extending this training model also to ‘over 34 years old’ entrepreneurs in the next future.

### 3.3 Work sector



- Services: 124
- Manufacturing: 19
- ICT: 28
- Retail: 23
- Agriculture: 3
- Other (please specify): 59
- Skipped: 0

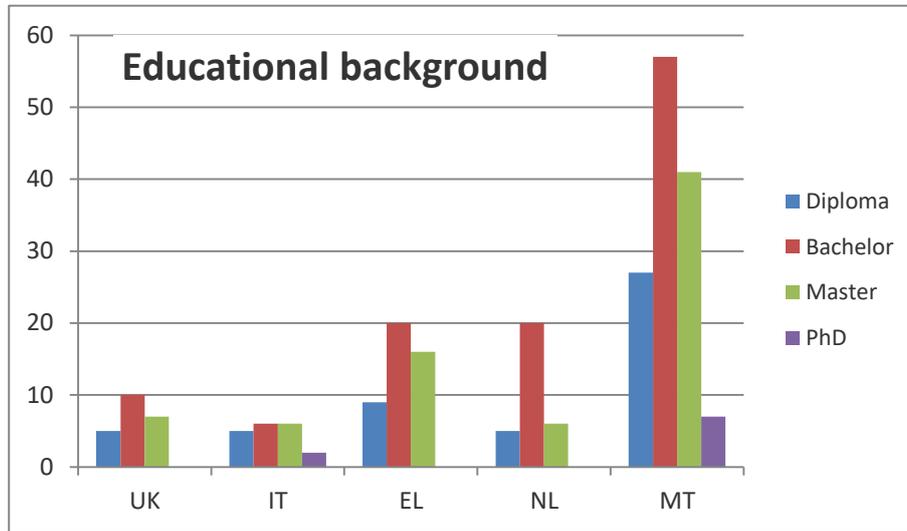
On the basis of the results above, the majority of respondents come from the services sector that should be the focal point of the INVEST training model.

The majority of respondents who selected the 'other' category specified a sector that could easily be linked to services (training, tourism) thus, further emphasising the importance of this sector to our work area.

Finally, these 2 are by far the most frequently mentioned work sectors and together they represent over 70% of respondents.

These data can be used for the development of the training courses also for identifying concrete examples and practical exercises (at level of contents).

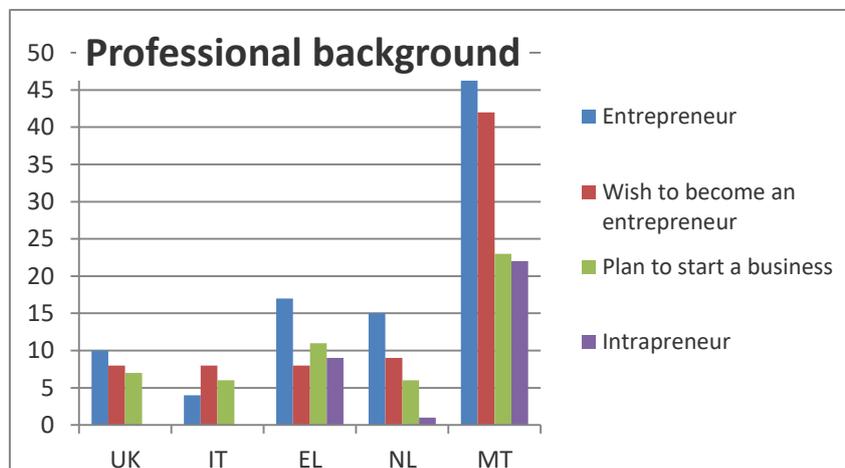
### 3.3 Educational background



- Diploma: 51
- Bachelor: 113
- Master: 76
- PhD: 9
- Skipped: 7

Concerning the educational background the above diagram shows that the majority of respondents has a bachelor while around 30% declare to hold a Master or a PhD degree. It is presumably clear that they are still interested in improving both their entrepreneurial skills and level of financial literacy.

### 3.4 Professional background



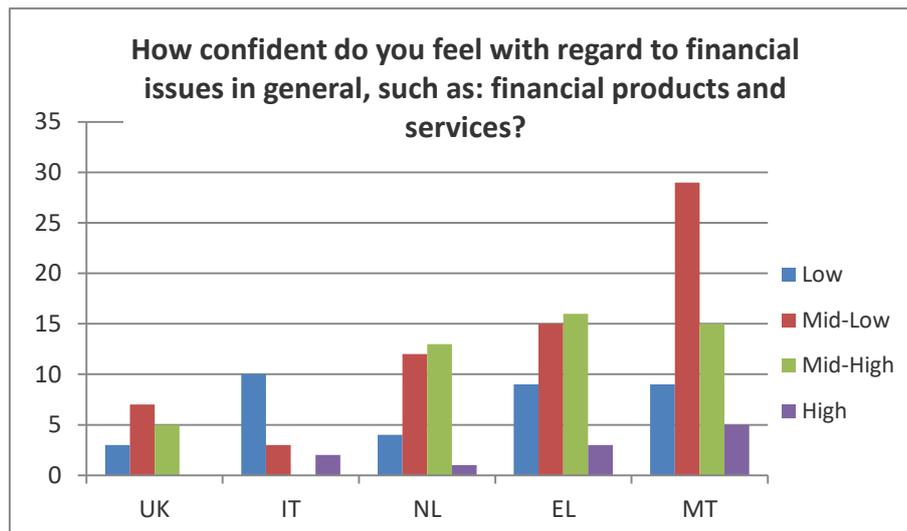
- Entrepreneur: 93
- Wish to become an entrepreneur: 75
- Plan to start a business: 53
- Intrapreneur: 32
- Skipped: 3

Concerning the professional background the above diagram shows a quite balanced situation among the respondents and therefore, it can be concluded that all respondents have a wide interest in improving their financial skills.

The majority of them is already an entrepreneur or wish/ plan to become one. This data is very valuable for our project since it is in line with the aim to foresee INVEST WISE training course.

#### 4. Survey findings - analysis of data and findings for each question

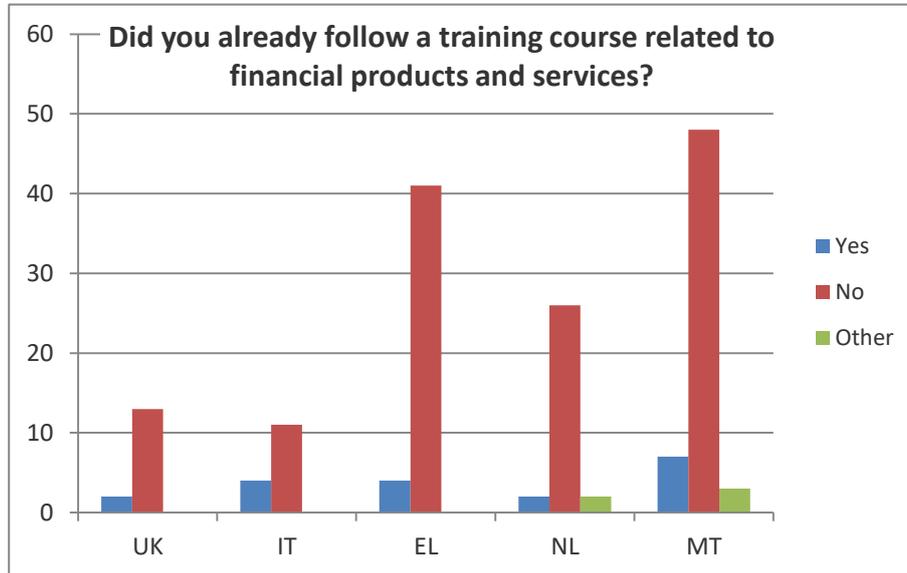
- a. *How confident do you feel with regard to financial issues in general, such as financial products and services?*



- Low: 35
- Mid-Low: 66
- Mid-High: 49
- High: 11
- Skipped: 94

From the data collected in the diagram above, one can observe that almost a half of the respondents (tot. 150 adding together low, mid-low and mid-high level) have expressed their limited confidence in dealing with financial issues. Clearly, we see that this is an important topic given that the vast majority of respondents either are entrepreneurs, or plan/ wish to become one. Therefore, we can conclude that the project is addressing the key need of educating unexperienced, young micro entrepreneurs on making responsible economic, financial and investment choices.

b. Do you already follow a training course related to financial products and services? If yes, please specify the title/content and length of the course.



- YES: 19
- NO: 139
- Other: 5
- Skipped: 93

In case the answer was YES, the respondents were asked to specify and some of them provided the following indications:

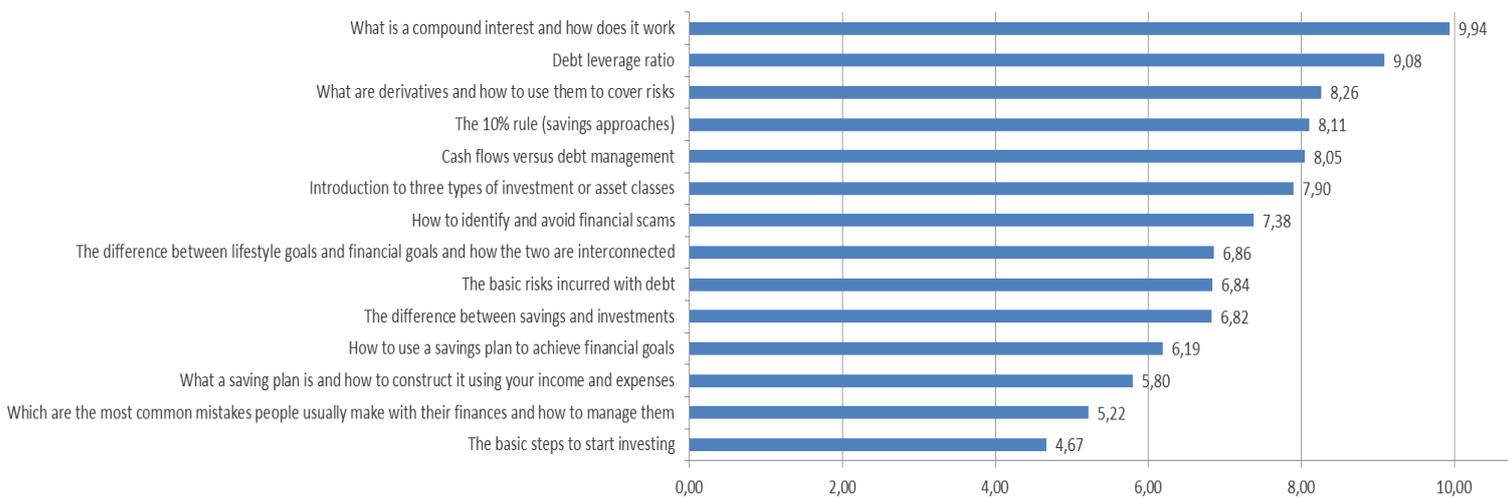
COUNTRY	Please, specify the title/content and length of the course.
MT	Financial services (on-the-job training)
EL	Finance
IT	During almost 40 years of work in a financial institution the training courses were numerous, at least 2 per year and over; Training course for pre-graduate financial practitioner (first postgraduate employment - year 2001). Referring to the time frame, general concepts on financial promotion, sales techniques and general notions on financial market discipline.
NL	Workshop on subsidies; Public finance.
UK	BSc Money, Banking and Finance

The data show that the majority of respondents did not take part in a training course related to financial products and services. For each Partner's country among the respondents who answered "yes", just few specified the titles/contents of the courses. In all five countries, finance was the most common sector the course dealt with. In some case, academic curricula in the field have also been key contributors to financial

literacy. From these findings one can infer that INVEST WISE course is still necessary and could represent an interesting and useful resource. Therefore, we should ensure that it is made accessible to as many people as possible, and marketed widely.

c. *Should you enrol in a new training course, based on your personal and professional needs, please rank the following topics according to your interest/preference*

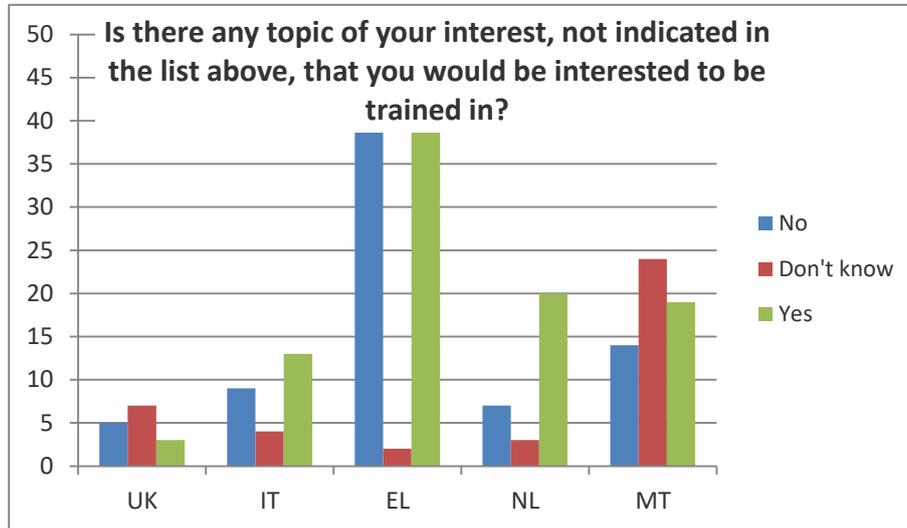
Should you enroll in a new training course, based on your personal and professional needs, please rank the following topics according to your interest/preference



In the above table the reader can find the rank (based on the integration of the data from the five countries) of preferred topics for the INVEST WISE training course, which aims to offer valid training contents to entrepreneurs fostering their skills acquisition and to give them the necessary tools to boost their economic development. On the top are shown the topic of most interest and at the bottom the ones with least interest. The data shows that the main topic of interest is ‘What is a compound interest and how does it work’, therefore we recommend to include this topic in the INVEST WISE course. Similarly, we can conclude that other high scoring topics such as ‘debt leverage ratio’, ‘what are derivatives and how to use them to cover risks’ and ‘the 10% rule (savings approaches)’ should also be addressed.

It’s interesting to notice that the topic with the highest scores are exactly those for which, in the questionnaire distributed, the consortium accordingly provided in-depth further description. Interestingly the topic ‘The basics steps to start investing’ scored the lowest. Considering that the respondents have been asked to rank these topics according to their interest/preference, this could be interpreted to mean that the respondents are not so much interested in this topic and therefore they wouldn’t need training in this. This is clearly understandable if we consider that the majority of respondents is already an entrepreneur or wish or plan to become one. Almost to the same score we find ‘Which are the most common mistakes people usually make with their finances and how to manage them’. Despite the low score, the topic itself is very important. Partners should reflect on integrating it in the training course, maybe underlining better its importance also for learners who already are entrepreneurs.

d. Is there any topic of your interest, not indicated in the list above that you would be interested to be trained in? If yes, please specify.

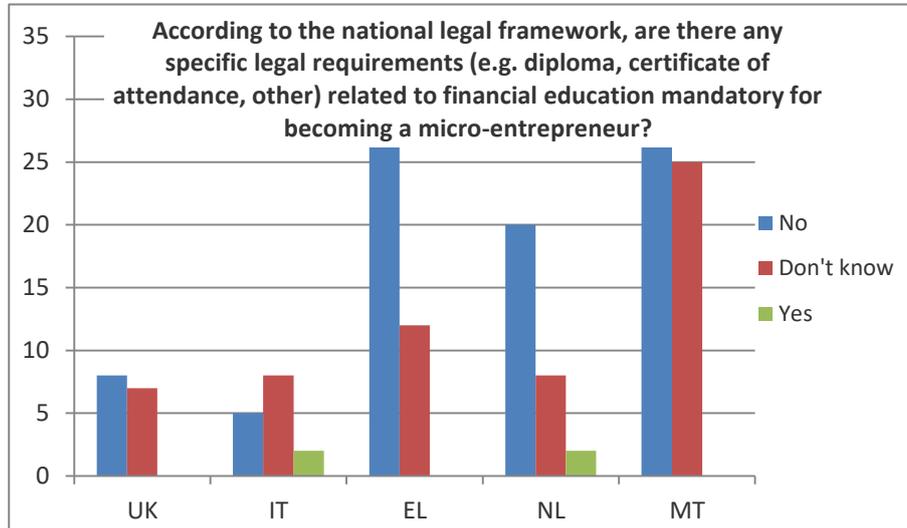


- NO: 77
- Don't know: 40
- YES: 99
- Skipped: 40

COUNTRY	If Yes, please specify
MT	Accounting; Behavioural trends; Debt Management; Identifying emerging business ventures; Tax and VAT issues; ROI; etc.
EL	ROI, Methodology for assessing investment.
IT	Budgetary studies for applying growth and investment plan; Investments ethics; Links between typology of customer (personal/economic/professional/geographic) and related possible investments available; Business plan and risk management.
NL	Accounting; Financial management for a small entrepreneurs or enterprise; Tax and VAT issues; Understanding financial basics; practical tips & tricks, etc.
UK	Taxes and Tax evasion/avoidance; how to invest well; Managing cash flow; deciding prices, understanding costs.

The results show that respondents felt the topics listed offer an adequate covering for financial issues. However, as it can be seen, there were also many respondents who specified some of other topics that could be included. Among the ones shared by all countries we can find: accounting, Tax and VAT issues, ROI, managing budgetary issues and how to invest well. As a matter of fact, these indications are still useful to understand which topics are of most interest to potential users, and as such could be considered for the definition of the training course and promoted in the marketing material.

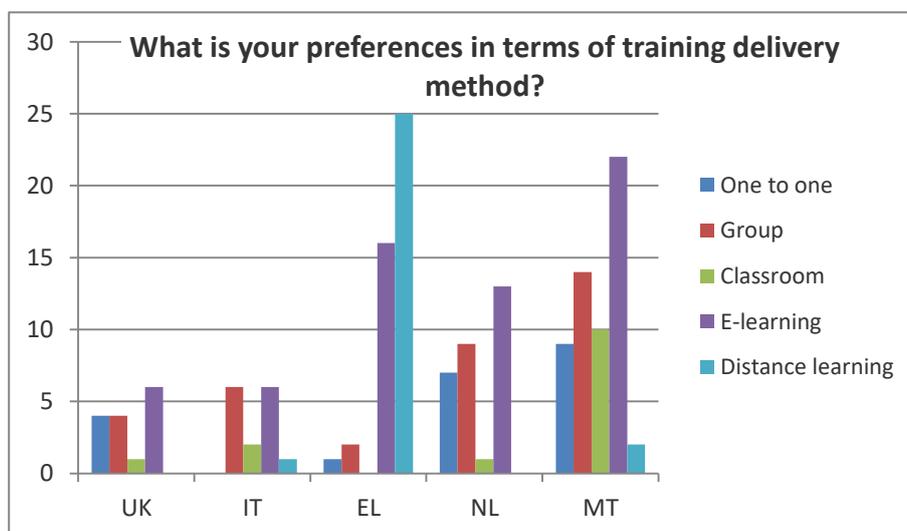
e. According to the national legal framework, are there any specific legal requirements (e.g. diploma, certificate of attendance, other) related to financial education mandatory for becoming a micro-entrepreneur?



- NO: 97
- Don't know: 60
- YES: 4
- Skipped: 95

The data shows that, for each country, most of the respondents replied there are no legal requirements regarding financial education that is mandatory for becoming a micro-entrepreneur. A large number declare to not be aware. However, Partners may further research on this issue in order to clarify it but, probably, INVEST WISE course does not need to refer to any specific requirements anyway.

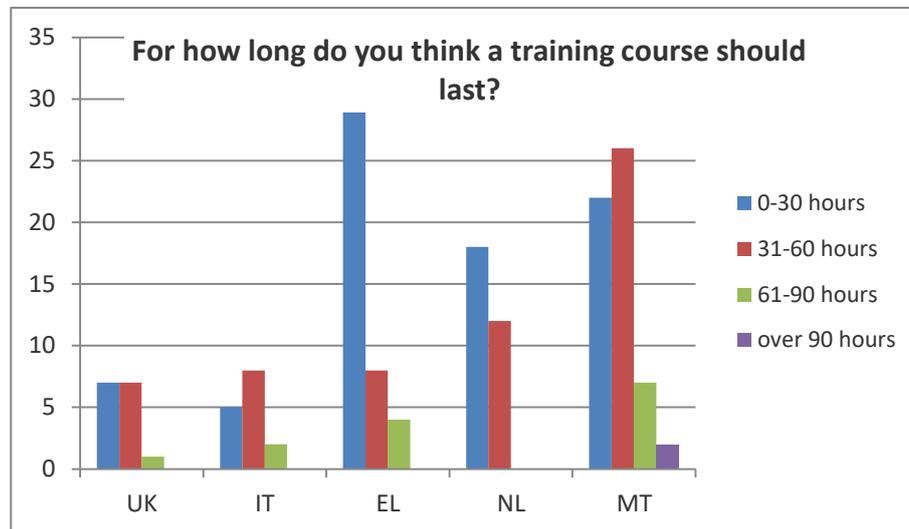
f. What are your preferences in terms of training delivery method?



- One to one: 21
- Group: 35
- Classroom: 14
- E-learning: 63
- Distance learning: 28
- Skipped: 95

The majority of respondents prefer E-Learning as training delivery method. Half of them prefer group session, while just few distance learning and one to one. Classroom is the less mentioned. Therefore, the course could integrate multiple delivery methods such as an E-Learning platform combined with Group working (which could also be organized online). Therefore, e-Learning could be the most appropriate format for the INVEST WISE course. .

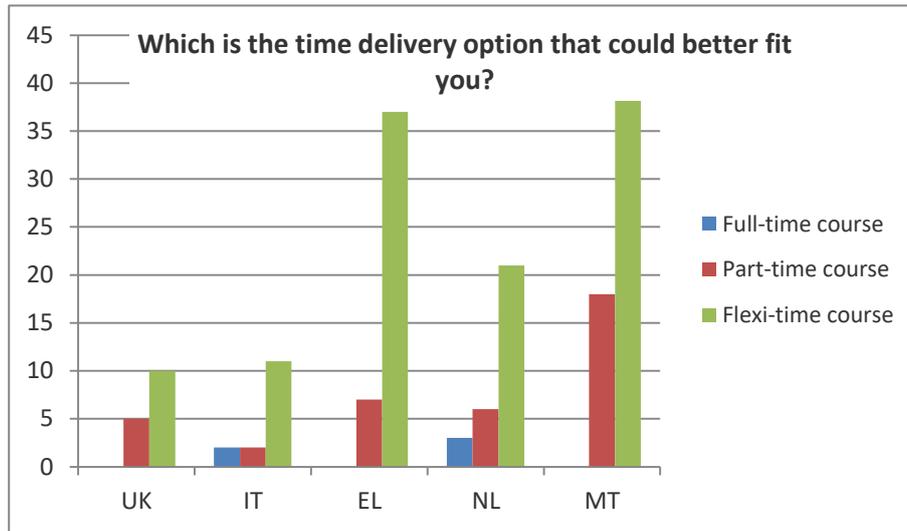
*g. For how long do you think a training course should last?*



- 0-30 hours: 84
- 31-60 hours: 61
- 61-90 hours: 14
- Over 90 hours: 2
- Skipped: 95

Respondents prefer a short, concise course. As a matter of fact, the data shows that the majority indicated they like a course under 30 hours and the rest under 60h. Therefore, a good average could be 30 hours for the training course. Additionally, the INVEST WISE course could also offer extra training (as option) for those who want to be trained more.

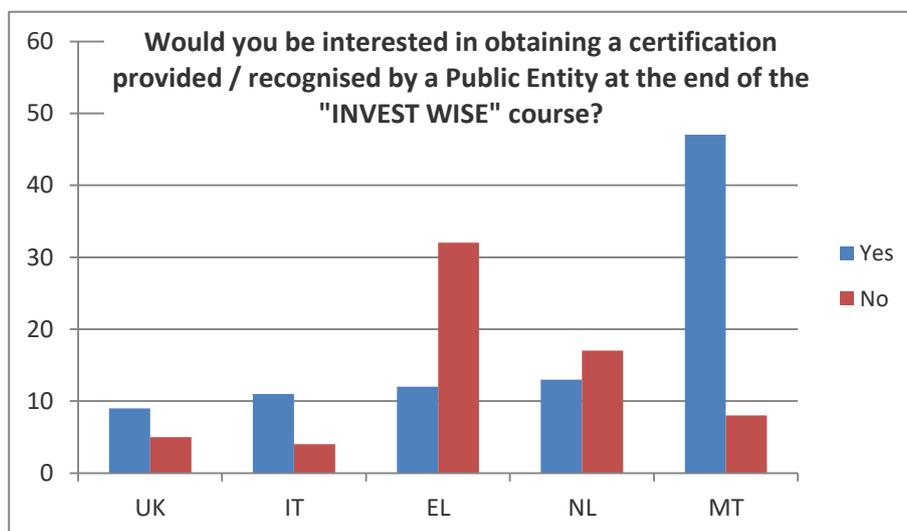
h. Which is the time delivery option that could better fit you?



- Full-time course: 5
- Part-time course: 38
- Flexi-time course: 118
- Skipped: 95

The data shows that respondents overwhelmingly prefer a flex-time course and just few a part-time course. Therefore, offering a flexible course is complementary to the E-learning delivery method and could better suit to the needs of the learners who already work. It could also facilitate the participation of a wider target audience and maybe for more than 30 hours/training. Probably this means also to give them the flexibility to choose the duration (when it's time to start, stop or continue) of the training session.

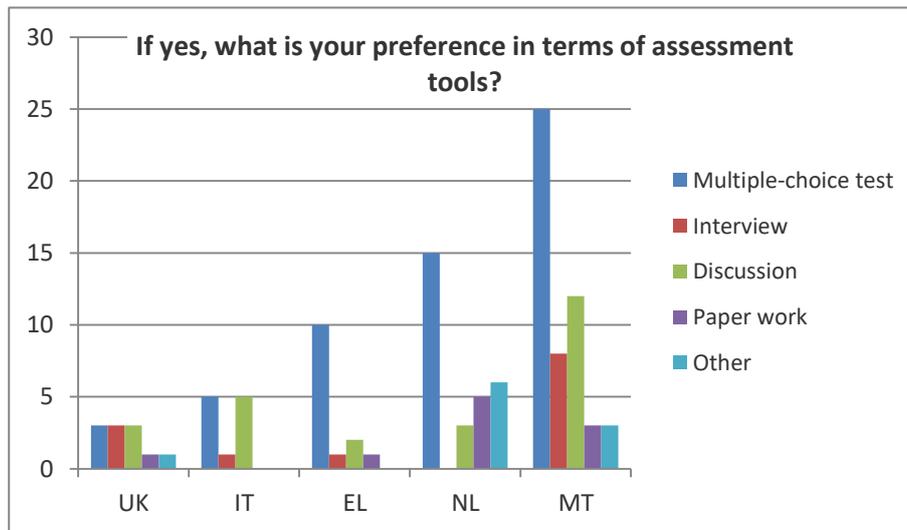
i. Would you be interested in obtaining a certification provided/recognised by a Public Entity at the end of the "INVEST WISE" course?



- YES: 94
- NO: 66
- Skipped: 96

The majority of respondents (overall from Malta, Italy and UK) indicated they would be interested in obtaining a certification provided/recognised by a Public Entity at the end of the “INVEST WISE” course. As such, Partners should analyse each national context for identifying ways of offering (if wished) a certified course. This could influence someone into taking part in the course.

*j. If yes, what is your preference in terms of assessment tools?*



- Multiple-choice test: 58
- Interview: 13
- Discussion: 25
- Paper work: 10
- Other: 10
- Skipped: 140

The data shows a more important preference for multiple-choice test, as assessment tool chosen by the respondents. Few respondents prefer discussion. No further suggestions regarding other possible assessment tools. Anyway, the INVEST WISE course could consider using a selected variety of assessment tools. This would mean that the course will be more accessible (an objective identified earlier in the survey results).

*k. According to you, which are the most relevant challenges in terms of financial management to achieve success as a micro-entrepreneur?*

The responses to this question indicate a variety of factors as the main/most relevant challenges in terms of financial management to achieve success as a micro-entrepreneur. Therefore, a suggested grouping for the most relevant topics to address is the following:

### **Investments**

- Choosing investment or saving
- Evaluating investment opportunities
- Correct investments
- Proper use of earnings for greater development
- Increase profits and investment
- What is the profit percentage to be invested in business
- The right priorities for the use of profits - The share of profits that should be invested

### **Accounting**

- Accounting issues and legislation
- Accounting matters
- Correct budget and forecasts for revenue – costs - expenses
- Correct budget earnings and expenditures
- Invoicing, including planning and collecting payment from customers

### **Management**

- Management costs and debt
- Human resources management, management of state planning
- Good organization with modern tools
- loans management for the start of business
- careful balancing / management income / expenses and adaptability/work & private life issues (financially)

### **Risk**

- Risk identification
- Risk-taking for investment
- Risks from loans and investments
- Correct evaluation and risk management
- Searching for funds – Competition detection
- Avoid debts

### **Grants/Investors**

- Access to grants and investors
- Finding the best banking products, grants, aids etc.
- Finding funds and investors

### **Monitoring of market and government financial initiatives**

- Monitoring economic developments and new measures in the market
- Bureaucracy
- Consecutive changes in the tax context
- Ever-changing economic environment (government regulation)
- Financial fraud

- 1. In your understanding, which are the success elements (at the level of: contents, methodologies, training delivery, assessment, etc.) a financial education training course should address in order to be effective for the learners?*

Respondents from all the five countries suggested different success elements a financial education training course should address in order to be effective for the learners. However most of them seem to highlight that the course should be more hands-on and present a number of practical case-studies/examples to ensure a clear understanding of concepts. A suggested grouping for the above success elements is the following:

***Flexible delivery method***

- Flexible and tight schedule, with practical examples and tools that can be used later
- Distance learning customized on learners time availability
- Delivery of training gives the learner enough time to consolidate the economic concepts

***Focus on case studies and practical examples***

- contain case studies/good practices (already existing)
- gives practical information and instructions (explanations and targeted, detailed examples and tips)
- practical course, no general theory

***Provision of tools***

- simple and attractive tools for financial management
- practical tools for the business
- business digitalization

***Presentation suggestions***

- little glossary
- understandable information even for those who have studied economics
- focus on specific sector of work
- practical information for each country
- simple and understandable contents
- give weight to practical methods (examples, exercises) versus theory
- transmissibility

***Course suggested functionalities***

- opportunity for discussion and exchange of experiences
- comprehension exercises to provide direct feedback
- summary information on infographics
- many and authoritative bibliographic sources, relevant data.

## 5. Existing training materials (provided by the Partner/s)

### 5.1 Malta

Title	Source	Description
Market gaps in access to finance and the feasibility of new financing instruments in the EU addressing the credit needs of Maltese business.	<a href="https://issuu.com/malta_business_bureau/docs/market_gaps_on_access_to_finance_-">https://issuu.com/malta_business_bureau/docs/market_gaps_on_access_to_finance_-</a>	Access to credit is one of the main challenges encountered by all businesses in the EU irrespective of size, business sector and product market. Maltese enterprises are no exception. The study, which was carried out by Ernst&Young, is construed to assess the existing market gaps for Malta-based firms to obtain financing beyond the "traditional" bank loan facilities including overdrafts.
Survey with businesses: Market gaps in access to finance and the feasibility of new financing instruments in the EU addressing the credit needs of Maltese Business	(Shared on Google Drive under P7 – MBB)	The Survey is segmented into three sections: 1. General Characteristics of the Firm, 2. Financing - A Company Perspective, 3. Financing - A National Perspective

### 5.2 The Netherlands

Title of material	Short description	Subject
PANDORA - Risk management course for small enterprises	Offline course on how to manage risk in a small firm, multiple modules	Topic not in the list from the INVEST proposal
ENT-TEACH - Module 4 - Managing Finance	The module + exercises address common sources of both equity funding and debt financing namely venture capital, initial public offerings, business angels, commercial banks and guaranteed loans. The unit also discusses concepts such as financial projections and creating financial statements.	5 The basics steps to starting to invest
ENT-TEACH - Module 6 - Project Management	This module + exercises focuses on the important topic of project management for start-up companies. It emphasises the importance of putting a systematic process in place from the outset. The unit illustrates and explains a generic project management process.	Topic not in the list from the INVEST proposal
ENTANGLE Module 8 - Cost Structure & Revenue Stream	The Cost Structure describes all costs incurred to operate a business model, this building block (of the Business Model Canvas) describes the most important costs incurred while operating under a particular business model.	Topic not in the list from the INVEST proposal

VIPIA - FINANCIAL & ECONOMIC ASPECTS MODULE	This specific module will explain the fundamentals of accounting, in order to manage your finances. This requires a basic understanding of accountancy. You don't have to become an expert, but an understanding of key terms and their connection is vital for you to start up a successful business. The examples used in this module are simplified to illuminate the basic elements.	12 Cash flows versus debt management
INSPIRE YoWup - Module 2 - Accounting and Financial Modelling Manual for the busy Entrepreneur	The purpose of this module and units is to facilitate the reader in how to either prepare information themselves or to understand how their accountant operates. The first unit covers bookkeeping, the records that are needed, examples of same in action (and blank versions of these for exercise work).	5 The basics steps to starting to invest

### 5.3 United Kingdom

#	Title	Source	Description
1	Practical Money Skills for Life	<a href="https://www.practicalmoneyskills.com/">https://www.practicalmoneyskills.com/</a>	A structured programme on personal financial literacy for young people which could be the basis of some useful ideas, activities and foci for INVEST. Well organised and presented it will at the least offer a stimulus to us
2	15 How to avoid some of the common mistakes people make with their finances	<a href="https://www.entrepreneur.com/article/239691">https://www.entrepreneur.com/article/239691</a>	Student orientated financial literacy with an accessible technique. Not entrepreneur specific but it is the style and approach, as much as the content, which is interesting
3	The Art of Start-Up Finance	<a href="http://www.entrepreneurship.org/funders-school/the-art-of-startup-finance.aspx">http://www.entrepreneurship.org/funders-school/the-art-of-startup-finance.aspx</a>	Produced by the internationally renowned Kauffman Foundation this set of resources is aimed at startups and entrepreneurs .It's an American source, but we have found it a useful starting point and written by people who know and presented in a helpful way
4	How these Entrepreneurs Found a Catchy Way to Teach Students Financial Literacy	<a href="https://www.entrepreneur.com/article/239691">https://www.entrepreneur.com/article/239691</a>	Teaching aspiring entrepreneur's financial literacy - an introduction and some ideas INVEST can use
5	Financial Management and	<a href="http://www.accaglobal.com/content/dam/ACCA_Global/Technical/smb/pi-">http://www.accaglobal.com/content/dam/ACCA_Global/Technical/smb/pi-</a>	Association of Chartered Certified Accounts guide to financial literacy for entrepreneurs - we find

	Business Success – A Guide for Entrepreneurs	<a href="#">financial-management-entrepreneurs.pdf</a>	this a very useful source to stimulate ideas and activities
6	Bridging the Gap	<a href="http://www.bridgingtothefuture.co.uk/bridge-model/bridge-model.aspx">http://www.bridgingtothefuture.co.uk/bridge-model/bridge-model.aspx</a>	A coaching model to take aspiring start-ups from their idea to a start-up and from start up to a growing business and from a growing business to a sustainable business. Key modules in this programme addressing financial literacy and issues.
7	Creative Industries Unit 3 Business Planning	<a href="http://www.capacitylondon.co.uk/creative-industries/">http://www.capacitylondon.co.uk/creative-industries/</a>	A coaching model specifically designed for creative industries that has a unit focused on pricing strategy.

#### 5.4 Italy

#	Title	Short Description	Subject
1	"European Financial Education Partnership - EFEP" EU project (2010-2012) - Development of Personal and Financial Education Workshops - Workshop 1: "Finance for life"	The purpose of this workshop is to facilitate young people to learn to manage money. This workshop helps children and young people to understand what finance is, to identify financial services and products needed throughout life, to comprehend credit and to be aware of the extent and effect of debt and where to go if they find themselves affected. The workshop material (presentations and summary) focuses on raising awareness of the different types of products and services available and how they can satisfy different needs.	5. The basics steps to starting to invest
2	"European Financial Education Partnership - EFEP" EU project (2010-2012) - Development of Personal and Financial Education Workshops - Workshop 2: "Managing your money"	This workshop aims to equip youngsters with methods to plan, monitor and control personal expenditure. It helps children and young people to know about income versus expenditure, essential versus non-essential living costs in running a home / going to university etc., prioritizing outgoings, the costs, advantages and disadvantages of different types of borrowing and where to seek financial advice. The workshop material (presentations and summary) helps to distinguish between 'needs' and 'wants' and think about which outgoings prioritizing for payment and on what spend any 'left-over' money. It includes an optional activity 'Money Management Quiz' on the meaning of effective budgeting (spending less than, or equal to, your income).	15. How to avoid some of the common mistakes people make with their finances
3	"European Financial Education Partnership - EFEP" EU project (2010-2012) - Development of Personal and Financial	This workshop includes an overview about why people borrow, what is meant by APR (Annual Percentage Rate), shopping around for the best deals and the importance of reading contracts before signing. It focuses on why people	Topic not in the list from the INVEST proposal

	<p>Education Workshops - Workshop 3: "Sensible borrowing"</p>	<p>borrow, which are the best ways of borrowing and paying off credit, how to avoid credit deals and how to manage financial difficulties. Young people face numerous financial responsibilities and challenges and have lower financial capability than other groups. Therefore the workshop material (presentations and summary) covers what to do if you find yourself in financial difficulty and who to approach for help. It includes an optional activity 'Sensible Borrowing Money Management Quiz' that helps to draw a financial management profile.</p>	
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## 5.5 Greece

Title of material	Short description	Subject
<a href="http://www.openlearningworld.com/Personal_Finance/Personal_Finance_Course_File_9554.html">http://www.openlearningworld.com/Personal_Finance/Personal_Finance_Course_File_9554.html</a>	<p>This is the first section of an advanced course on investing. It utilizes a passive approach to investing, as most people do not have the time, money, knowledge, or inclination to invest actively. It starts with the things to do before investing, principles of successful investing.</p>	<p>5 The basics steps to starting to invest</p>
<a href="http://www.seic.com/docs/Wealth/SEI_Goals_Based_Investing.pdf">http://www.seic.com/docs/Wealth/SEI_Goals_Based_Investing.pdf</a>	<p>Aligning Life and Wealth: An Introduction to goals-Based Investing</p>	<p>2 How the two are interconnected</p>
<a href="https://www.thebalance.com/saving-money-vs-investing-money-358062">https://www.thebalance.com/saving-money-vs-investing-money-358062</a>	<p>The differences between saving and investing for you and Finding the Right Balance Between Saving and Investing</p>	<p>7 The difference between savings and investments</p>
<a href="http://www.investopedia.com/articles/investing/080113/understanding-leverage-ratios.asp">http://www.investopedia.com/articles/investing/080113/understanding-leverage-ratios.asp</a>	<p>Understanding Leverage Ratios</p>	<p>9 Debt leverage ratio</p>
<a href="https://www.jpmorgan.com/jpmpdf/1320663533358.pdf">https://www.jpmorgan.com/jpmpdf/1320663533358.pdf</a>	<p>Derivatives and Risk Management Made Simple</p>	<p>10 The use of derivatives to cover risks</p>
<a href="https://poseidon01.ssrn.com/delivery.php?ID=800100124064067093091083005077096081036046034042033020101003097072121069106093109095110003010016007048098001023089026030121103074059079036091099091114116094124048007077096066066073082078104127064083067070085091088124070112020097082025064093116078&amp;EXT=pdf">https://poseidon01.ssrn.com/delivery.php?ID=800100124064067093091083005077096081036046034042033020101003097072121069106093109095110003010016007048098001023089026030121103074059079036091099091114116094124048007077096066066073082078104127064083067070085091088124070112020097082025064093116078&amp;EXT=pdf</a>	<p>International Evidence on Financial Derivatives Usage</p>	<p>10 The use of derivatives to cover risks</p>

<a href="http://www.investopedia.com/articles/personal-finance/041515/10-tips-avoid-common-financial-scams.asp">http://www.investopedia.com/articles/personal-finance/041515/10-tips-avoid-common-financial-scams.asp</a>	10 Tips To Avoid Common Financial Scams	14 How to identify and avoid financial scams
<a href="https://www.entrepreneur.com/article/272403">https://www.entrepreneur.com/article/272403</a>	Five Common Financial Mistakes Startups Make- And How To Avoid Them	15 How to avoid some of the common mistakes people make with their finances

## 6. Conclusions and recommendations for training contents and delivery methods

Based on the research findings, the following conclusions and related recommendations can be provided:

### Interest in the topic (financial issues)/challenges

Concerning the level of confidence with regard to financial issues and the related interest to be trained on, the data collected in the survey in each country (see questions 4. *a-b-c-d*), shows that more than half of the respondents (tot. 150 adding together low, mid-low and mid-high level) have a limited confidence in dealing with the above topic. The majority of them never took part in a training course related to financial products and services. We can conclude that INVEST WISE course could be an important opportunity and a useful resource for young entrepreneurs. Therefore, we should ensure that it is made accessible to as many people as possible, and marketed widely.

Furthermore, the INVEST WISE training course should address at least the first six topics that have been considered as most important:

Ranking	Topic
1	What is a compound interest and how does it work
2	Debt leverage ratio
3	What are derivatives and how to use them to cover risks
4	The 10% rule (savings approaches)
5	Cash flows versus debt management
6	Introduction to three types of investment or asset classes

It's interesting to notice that the topic of most interest are exactly those for which, in the questionnaire distributed, the consortium provided in-depth further information.

Besides this, we can also consider the indications regarding the most relevant challenges in terms of financial management to achieve success as a micro-entrepreneur:

SECTOR	TOPIC
Investments	Evaluating investment opportunities; Increase profits and investment; Correct investments
Accounting	Accounting issues and legislation; Correct budget and forecasts for revenue - costs - expenses; Invoicing, including planning and collecting payment from customers
Management	Management costs and debt; Human resources management, management of state planning; loans management for the start of business
Risk	Risk identification; Correct evaluation and risk management; Avoid debts
Grants/Investors	Access to grants and investors; Finding funds and investors
Monitoring of market and government financial initiatives	Monitoring economic developments and new measures in the market; Bureaucracy; Ever-changing economic environment (government

	regulation); Financial fraud
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We can conclude that for each sector learners pointed out some useful and interesting topics that - given their extent - allow us to analyse the opportunity to provide the “INVEST WISE” learners with some concrete practical cases and/or examples and/or key studies (at level of contents) they could learn from as well and with some practical tools that can be used later, too.

### **Legal framework**

The findings show that for each country, most of the respondents replied there are no legal requirements regarding financial education that is mandatory for becoming a micro-entrepreneur. A large number declare to not be aware. However, Partners may further research on this issue in order to clarify it. Finally it could be useful to integrate in “INVEST WISE” course contents some more clear information about this.

### **Certification**

The majority of respondents (overall from Malta, Italy and UK) indicated they would be interested in obtaining a certification provided/recognised by a Public Entity at the end of the “INVEST WISE” course. As such, Partners should analyse each national context for identifying ways of offering (if wished) a certified course. This could influence someone into taking part in the course.

### **Training delivery methods and tools**

The majority of respondents prefer a flex-time course and E-Learning as training delivery method. Therefore, E-Learning could be among the appropriate format for the INVEST WISE course as it is also in line with the project proposal requirements.

Regarding the course duration, a good average could be 30 hours. Additionally, the INVEST WISE course could also offer extra training (as option) for those who want to be trained more.

Respondents chose different self-assessment instruments such as multiple-choice tests, exercises etc. that will help learners to consolidate their newly obtained knowledge and feel more confident about their skills. It was underlined that the assessment instruments should provide immediate and automatic feedback.

The learning materials should be provided in a comprehensive and attractive way, e.g. using infographics, graphs, tables, links to videos etc. and also include extra training resources such as glossary, resources, bibliography for further reading. The training contents should be developed on the chosen topics, focused on the substance of knowledge and on practical examples/ case studies. The topics should be structured in modules and each module should include the following sections: theory (brief), practical examples, self-assessment test and further reading. Finally a forum (virtual) where the learners can start a thread to exchange experiences, pose questions and find support on their concerns could be included.

The final project’s aim is to develop a web platform for distance learning easy to navigate and attractive for learning including a guide for learners how to use the training platform and how to plan effectively their own training path as self-learners

**Successful elements a financial education training course should address in order to be effective for the learners**

Respondents suggested some successful elements a financial education training course should address in order to be effective for the learners:

SECTOR	TOPIC
Flexible delivery method	flexible and short schedule with practical examples and tools that can be used later
Focus on case studies and practical examples	case studies/good practices (already existing); practical information and instructions (explanations and targeted, detailed examples and tips)
Provision of tools	simple and attractive tools for financial management; practical tools for the business; business digitalization
Presentation suggestions	little glossary; understandable information; practical information for each country; simple and understandable contents; practical methods (examples, exercises)
Course suggested functionalities	opportunity for discussion and exchange of experiences; comprehension exercises to provide direct feedback; summary information on infographics; bibliographic sources, relevant data.

Among them, some are particularly in line with the aim of INVEST WISE training course to offer valid training contents to entrepreneurs fostering their skills acquisition and give them the necessary tools to boost their economic development.

For example, INVEST WISE course should include topics concerning the “business digitalization” in the financial and services sector. This could help companies in saving time and money for managing payments and/or privacy issues.

For what concern to “provide examples and practical tools to understand how financial management to implement in its own business” we can imagine to complete the training course contents with some concrete national examples or good practices learners could refer to.

**Appendix List:**

- A. [Template of questionnaire](#)
- B. [Data Results all countries \(MT- IT - EL - UK - NL\)](#)
- C. [Country reports \(MT- IT - EL - UK - NL\)](#)