



The Startup Angel Report 2024

Supporting the business owners of the future





Introduction

For the budding entrepreneur, our ever-changing world is bursting with opportunity.

As our technological, political and social environments change faster than ever before, so do the challenges and questions that emerge in response. For the forward-thinkers among us, this presents exciting opportunities to discover and launch innovative solutions.

But starting a new business requires more than a great idea and sheer determination. The most successful startups are also built on a solid foundation of reliable funding and expert guidance: ingredients that are not always easy to come by.

But that's where we come in.

Now in its fourth year, the AXA Startup Angel competition gives UK entrepreneurs the chance to turn their business dreams into a reality.

In partnership with the Evening Standard, we're offering some incredible prizes to the most promising up-and-coming businesses from across the UK. As well as receiving £25,000, two winners will be mentored by the Startup Angels who all run their own highly successful enterprises.

Previous winners include [Team Repair](#), a social enterprise that provides young people and teachers with gadget repair kits and programmes, and [Intotum](#), a fashion brand that creates comfortable, stylish and affordable clothing for people with disabilities.

To ensure we provide our budding entrepreneurs and small business owners with the best possible support, we conducted research into the motivations and obstacles around launching the next big idea. We quizzed 2000 UK adults on their business plans and what's holding them back from becoming the startup owners of tomorrow.

This is what we discovered.



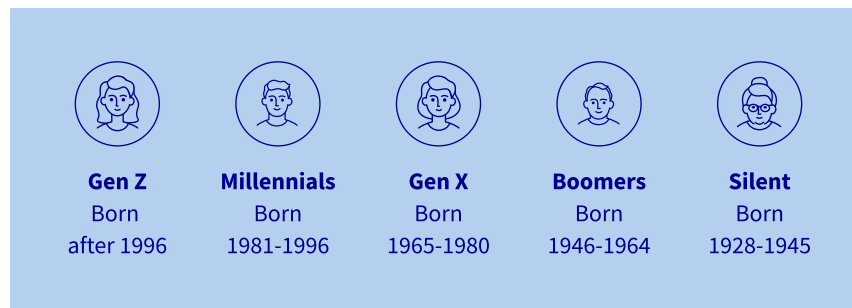
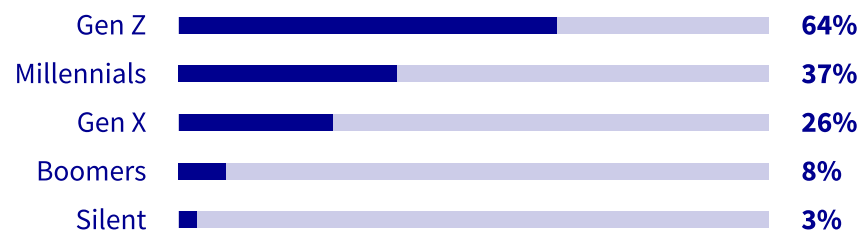
Starting a business

Becoming an entrepreneur for the first time is a daunting yet exhilarating time in anyone’s life, regardless of their background, gender or age.

In business, age is just a number, and whether an idea is born from the energy of youth or the experience of years, it’s the strength of the concept that counts. Yet while age is not a measure of success in entrepreneurship, that’s not to say different generations aren’t more receptive to the idea than others.



What percentage of people agree with the statement? “I would like to start my own business or side hustle at some point”



Our research shows that young people are the most driven to become their own boss, with 64% of Gen Z telling us they’d like to start their own business at some point — 61% by the time they’re 30! A smaller, though still significant, proportion of millennials (37%) and Gen X (26%) share the aspiration to be their own boss.



Whether you're taking your first steps, or you've already journeyed far, don't let fear shadow your aspirations. The realm of business creation is boundless. Remember, the giants of today's industries once stood where you are, armed with nothing but their dreams and the courage to pursue them. So, to those pondering if the time is right, your moment is now.

Raphael Sofoluke, Startup Angel and founder and CEO of the UK Black Business Show and UK Black Business Week

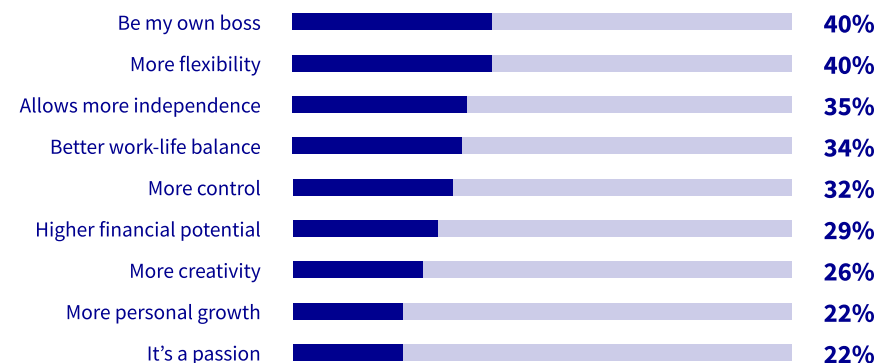
Motivation and drive

With the rise in remote and hybrid working as a response to the pandemic, it's no surprise that the top reasons cited for pursuing a personal business venture are that it offers greater flexibility (40%), independence (35%) and a better work-life balance (34%).

This new way of working has given many a taste of freedom when it comes to their careers, allowing them to work alongside care or personal commitments — a freedom that running your own business can also offer.



What are the top reasons people want to pursue a personal business venture?

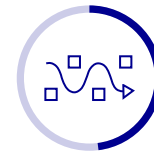


But it seems that the motivation to start a business rests on more than its flexibility. A staggering 40% of those surveyed told us that 'being my own boss' would be one of their biggest reasons for starting a business, reflecting the feelings of empowerment that come with building something of your own from scratch.

In fact, for many successful entrepreneurs, the greatest rewards are seen in the positive impact their business has on their own life, their customers and the world around them, and not from money in the bank. This sentiment is acknowledged among those we surveyed, with 'higher financial potential' only ranking as the sixth most motivating factor (29%) for potential business owners.

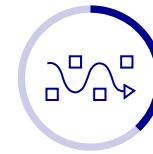


What is the top reason each generation wants to pursue a personal business venture?



Gen Z

More flexibility (48%)



Millennials

More flexibility (38%)



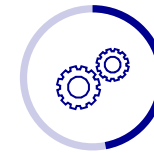
Gen X

Be my own boss (40%)



Boomers

Be my own boss (44%)



Silent

More control (47%)

It's also interesting to see that, while the top motivations are shared among generations, Gen X resonate most with the idea of being their own boss, with 45% of this age group wanting to take the lead compared with 40% of Gen Z and 33% of millennials.

For Gen Z-ers wanting to start their own business, it's flexibility that drives them with nearly half (48%) choosing this option, followed closely by the better work-life balance it offers (42%).

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Having a partner to share the journey with has been a huge plus for us. It's not just about bouncing ideas off each other; it's also about sharing the workload and keeping each other motivated.

For those flying solo, staying inspired means tapping into support networks like mentorship programs, entrepreneurial communities, and online forums. Remember, everyone faces hurdles, but with the right support, you can overcome them.

Henry Firth & Ian Theasby, Startup Angels and BOSH! co-founders

Industries and sectors

It all starts with an idea.

For some, a business plan is born from experience and a desire to find the perfect solution to an identified problem. For others, it's a product of personal passion and an eagerness to share this with the world.







Our research has revealed that the most popular sector that people want to launch their business in is 'arts and crafts', followed closely by 'online retail'. This is somewhat unsurprising given that many are already engaging with online business ventures via user-generated ecommerce sites such as Etsy and Depop.



A greater proportion of Gen Z showed interest towards certain industries compared with other generations, including 'food and drink' (22%), 'entertainment' (19%), 'fashion' (18%) and 'education'. A difference is also seen between older and younger generations regarding tech-based industries; while 16% of Gen Z would consider launching a software business, only 8% of millennials and 5% of Gen X share this view. The same pattern can also be seen with AI, with 15% of Gen X interested compared with only 6% of millennials and 3% of Gen X.

What business sector most appeals to each generation?



	 Art & crafts	 Online retail	 Food & drink	 Dog walker	 Book shop	 Café
Gen Z	25%	22%	22%	16%	14%	15%
Millennials	18%	14%	14%	11%	10%	11%
Gen X	17%	16%	12%	12%	10%	8%
Boomers	15%	11%	7%	7%	11%	9%
Silent	7%	0%	7%	7%	0%	13%



Differences can be seen between genders too, with women showing greater interest in ‘arts and crafts’ — 24% compared with just 10% of men — and ‘cafe/coffee shop’ — 12% of women vs 7% of men. On the flip side, men show more interest in ‘finance’ — 12% vs 4% — as well as software, real estate, gaming and transportation.

What business sector most appeals to each gender?



	Art & Crafts	Online Retail	Food & Drink	Dog walker	Book shop	Café
Male	10%	13%	12%	9%	8%	7%
Female	24%	16%	13%	12%	12%	12%

Despite the differences seen across genders and generations, some of the most successful entrepreneurs break the mould. Last year’s AXA Startup Angel winner, Olivia Hylton, created the community-building app *Sistren* — which is designed to connect black women globally — with little experience in the software industry. Speaking with AXA, Olivia told us how she “*upskilled pretty much overnight to build this app*”, an impressive feat that shows how the greatest key to success is often having an idea you believe in.



39% of those surveyed told us that their enthusiasm would more than make up for lack of entrepreneurial experience were they to start a business



Barriers and obstacles



Money, money, money.

There's no escaping the fact that without necessary funding, it's almost impossible to get any business idea off the ground, no matter how innovative it might be.

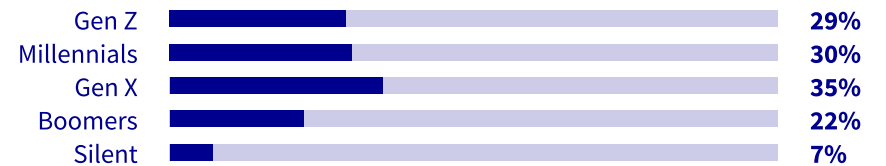
And in today's economic backdrop, where the cost-of-living crisis looms large and inflation and mortgage interest rates remain high, it's becoming increasingly difficult for future entrepreneurs to save up funds of their own or find investment elsewhere.



29%

cited 'I'm scared about my job security' as a barrier to not pursuing entrepreneurship

What percentage of people cited not having enough money as the top reason for not being able to launch a business?



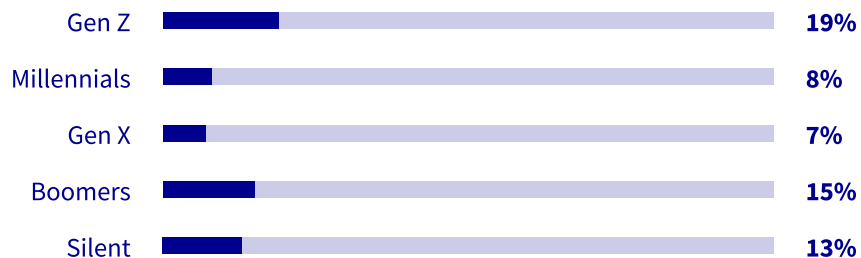
In fact, 'I don't have enough money' remains the top cited reason for not being able to launch a business, with 29% of those surveyed selecting this option; Gen X is the most fearful of this among all age groups (35%).

Yet despite the fact that money is one of the greatest barriers in business, so too is a lack of confidence (24%) and fear of failure (21%); both fears decrease with age and weigh most heavily on the minds of younger generations.

Our results also show a collective awareness among Gen Z of how the current economic and political climate may continue to impact their careers, with 29% citing 'I'm scared about my job security' as a barrier to not pursuing entrepreneurship. When comparing this with just 16% of both millennials and Gen X, it's clear that the desire for a secure and reliable income is particularly prevalent among the younger generations, who arguably bore the brunt of the pandemic and cost-of-living redundancies and are eager for longevity in their careers.



What percentage worry about how their health may impact their future career aspirations?



Interestingly, it's both the oldest and youngest potential business owners who worry about how their health may impact their future career aspirations, with 19% of Gen Z and 15% of baby boomers concerned about this compared with just 8% and 7% of millennials and Gen X respectively. While physical concerns may impact older generations, an increasing number of studies are exposing a mental health crisis among the young and the impact this has on the workplace.

While nerve-racking at times, owning and starting a business creates autonomy and control: two factors that may positively impact your life and sense of self in many ways.

AXA, and the Startup Angels, are there to support entrepreneurs through their concerns, and to ensure that a lack of self-confidence doesn't get in the way of any business dreams.



Those wanting to be entrepreneurs might be confident they have a fantastic idea, product or skills that would make a great startup business, but they may hold themselves back through procrastinating or just never taking the first steps.

Feeling anxious about the change itself, the finances required, or potential failure might act as a barrier to getting started. Anxiety might also lead to someone putting it off altogether and seeking other reasons to justify the delay.

Whilst someone might have all the skills necessary, they could lack that extra bit of self-confidence to get going and make a success of a small business. Any experience of previous business or personal failure could also impact their confidence, undermining the steps they need to take.

Although owning and starting a business creates autonomy and control, there can also be a fear of the uncertainty of not being able to control all aspects of the future. This can create an anxiety barrier that may become difficult to cross.



Eugene Farrell,
AXA Mental Health Consultancy Lead



Success and confidence

Confidence is king in the world of business; not only must an entrepreneur have belief in the strength of their idea and vision, but in their own ability to turn the idea into a reality. It's this conviction that drives an entrepreneur forward, overcoming any bumps in the road or unexpected turns along the way.

Our results show that, despite acknowledging there may be few obstacles in their path, Gen Z are the most confident that they would become successful business owners, with 54% holding this belief. As we move through the generations however, this confidence wanes a little, with 41% of millennials, 30% of Gen X and 25% of boomers having confidence in their own business skills.



What are the top reasons people think now is a good time to start their own business?



Remote work culture



Economic recovery



Digital opportunities (e-commerce)



Social media influence



Changing consumer behaviour

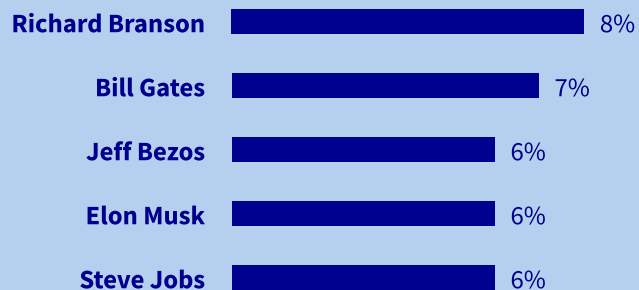
Younger generations are also the most enthusiastic about using their confidence as soon as possible, with 52% of Gen Z and 37% of millennials agreeing that 'now is a great time to start my business'. Of all those who agree with this statement, 'remote work culture' and 'economic recovery' came out as the top reasons. While post-pandemic working has been an uncertain time for many, it has also arguably opened up new possibilities in entrepreneurship; as our working life changes, new innovation emerges in response.

Inspiration

What do Richard Branson, Bill Gates and Jeff Bezos have in common?

Yes, they're all billionaires and are likely some of the most popular dream dinner guests, but more importantly, according to our research, they're the celebrities we most look to for inspiration in business — Karen Brady and Nadia Hussain came out on top as the most inspirational females.

Top 5 celebrities people look at for business/startup inspiration are...



So what's their secret to success?

According to our survey, working hard is the most important characteristic of a successful entrepreneur (64%); boomers are most in agreement, with 71% selecting this option. 'Innovative thinking' (53%) and having a 'long-term vision' (47%) also came out as leading factors: attributes that this year's AXA Startup Angel winners will certainly share.



Conclusion

At AXA UK, we strive to give small businesses the support and guidance they need to flourish, and this report shows there's no shortage of enthusiasm for becoming your own boss or turning a side hustle into a fully-fledged business.

Most respondents agreed that hard work is the key to success, with 64% of people in our report saying it's the most important factor. They also agreed that enthusiasm can make up for a lack of entrepreneurial experience.

While younger people appear to be more driven to start their own business, age certainly doesn't appear to be a barrier. If you've got a great idea that you're passionate about, you're well on your way and we'd love to see a wide range of ages enter this year's AXA Startup Angel competition.





As well as £25,000, two startups will receive mentoring from the AXA Startup Angels, founders of some of the UK's leading businesses, and business insurance for a year thanks to AXA.

We're also offering four runners-up prizes of media and mentoring packages with the Evening Standard, estimated value to be more than £18,000.

We're passionate about giving small businesses a helping hand to get off the ground, and to offer support and guidance to give them the confidence to thrive, today and tomorrow. The most successful businesses have a clear sense of purpose and direction, and with AXA Startup Angel, we can help them build a brighter future.



Julie White,
AXA's Small Business Champion