

Goodwill over greed: How Gen Z is redefining what it means to be an entrepreneur

As a serial investor and entrepreneur, I'm constantly on the lookout for changes in the market. My brain is programmed to scan for exciting trends, innovative ideas and seismic shifts in how startups work.

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The last few years have seen plenty of challenges thrown our way - which has only made the startup space more interesting and exciting to follow, with entrepreneurs coming up with new, ingenious ways to solve major world issues.

Generation Z - 18-25 year olds - are leading the charge. They've changed the mindset of what it means to be an entrepreneur. They're highly motivated to start their own business, they're creative, passionate, driven and ambitious, and unlike past generations, they're flipping what it means to be an entrepreneur on its head.

I wanted to really get to grips with how this generation operates and how they differ from older generations, so we conducted a study at Connectd, polling entrepreneurs from both age groups on their desires, perceptions and behaviours.

The disparities were astounding.

Making money vs making a difference

Traditionally, the motivation for starting a business was making money. It is obviously still a huge driving force for entrepreneurs across all sectors and types of business. But there has been a seismic shift in recent years in terms of other key motivators for those building businesses.

In a world that's constantly shifting and with uncertainty always looming, our research made sense; the primary motivation for Gen Z was to take control of their future and work for themselves. Older generations were in agreement with this.

When we dug a little deeper however, there were some pretty substantial differences.

Over two thirds of Gen Z founders (68%) started their company to make a difference to the environment or improve an aspect of society. Only 54% of 25+ founders did the same. In line with these results, every single one of our Gen Z respondents said that it was important to them that their business had a low impact on the environment.

I found these results really interesting. Of course, there have been (and are) plenty of founders over 25 who weren't solely motivated by money. Yvon Chouinard (Patagonia's founder) is a perfect example. But there's never been a generation-wide shift in business goals like this. Never before have we seen the majority of a generation (at least, in the Western world) be motivated to become entrepreneurs in order to fix societal and environmental issues.

The climate crisis is obviously a huge driver of this, with Gen Z really recognising the importance of taking positive action. The motivation for this may not be totally altruistic - this is, after all, the first generation that could be living in the dystopian future forecasted by climate experts - but

either way, it's causing this change in entrepreneurs' attitudes and values

Advancing technology and its widespread adoption (especially with Gen Z) is a big driver too. Where problems were once unsolvable, technology has created comprehensive yet cost effective solutions for those starting a business. Entrepreneurs that look at a problem 'tech-first' are only limited by their creativity.

The new age entrepreneur

Gen Z welcomes in a new dawn for entrepreneurialism. Technology, culture and global issues have had huge impacts in shaping this new generation into a type of business leader like no other.

Ethical, moral and future-focused entrepreneurs are inventing tomorrow's unicorns. If investors and advisors want a piece of the action, they need to understand the shift in mindset and adapt their approach accordingly.

Gen Z founders have the power and the drive to change some of the most fundamental issues society is facing - perhaps, ever faced - and the most innovative ideas are yet to come.

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