

The SADC's Youth Strategy:
**How can we encourage youth
to create their own jobs?**

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How can we encourage youth to create their own jobs?

The Réseau des SADC du Quebec is:

A network of 67 SADCs (Community Futures Development Corporations)

Each SADC is an independent, locally autonomous corporation that operates under the direction of a volunteer board representing the different geographic sectors of a community, its different interest groups or various areas of expertise.

SADCs have been financed over the last 30 years through the national Community Futures Program of the Canadian government, which is designed to support community economic development by assisting communities to develop and diversify their economy.



How can we encourage youth to create their own jobs?

More specifically, a SADC:

Works with communities to assess local problems, establish objectives, plan and implement strategies to develop human, institutional and physical infrastructures and promote entrepreneurship (specifically to youth), employment and the economy.

Delivers a range of business, counselling and information services to small and medium-sized enterprises.

Provides access to capital to assist existing businesses or to help entrepreneurs create new businesses.



How can we encourage youth to create their own jobs?

SADCs form a partnership.

Their different board members come from:

- Companies (16.5%)
- Municipal government (11.8%)
- Education and training (6.5%)
- Professional associations (5.8%)
- Agriculture and agri-food sector (5.5%)
- Tourism, recreation and culture (5.4%)
- Businesses and services (5.1%)
- Socio-economic organizations (4.7%)

Others come from health and social services, forestry, youth and citizen groups, community organizations, financial institutions, unions, environmental services, women's groups, Native peoples, etc.



How can we encourage youth to create their own jobs?

Ten years ago in Canada, youth were leaving regions due to a lack of jobs. Now, businesses are suffering from a labour shortage; many jobs are available but young people are still leaving the regions.

There is a gap between the qualifications required for the jobs offered in the regions and young people's ability to answer the needs (11.5% of unemployed youth do not want the jobs that are being offered).

Another challenge we face in regions is the massive retirement of many business owners and the difficulty to ensure the transfer of good businesses to new entrepreneurs (71% of entrepreneurs are planning to retire from their business by 2014).



How can we encourage youth to create their own jobs?

What if getting youth into jobs could be accomplished by having them create their own job?

Experience and research prove that youth entrepreneurship is an efficient answer to the problem.

For 12 years, the Youth Strategy has been offering support to young people who want to start their own business.

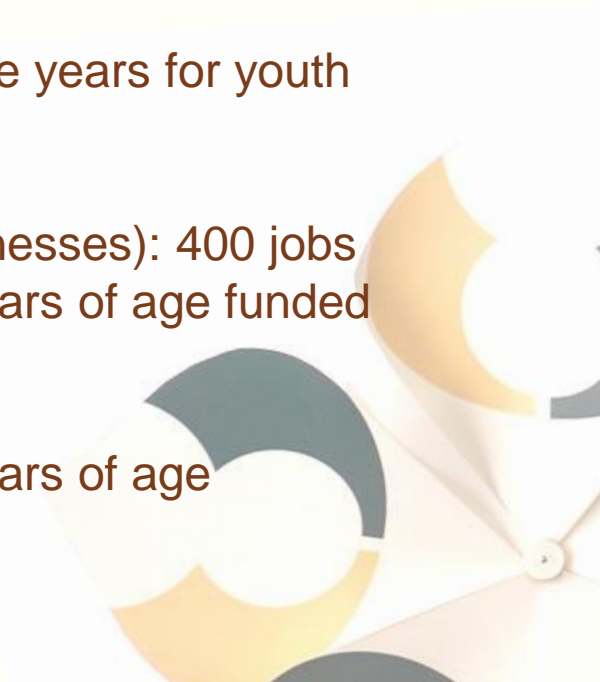


How can we encourage youth to create their own jobs?

Working with youth cannot be a “one-shot deal” but rather a long-term, comprehensive and tailored process of awareness, experimentation, coaching and financing activities.

To ensure vibrant communities, the Réseau des SADC du Québec has initiated on-going programs with young people from 14 to 35 years old that include:

- **Summer camps** (Camp JE): more than 20 camps in nine years for youth between 14 and 17 years of age
- **Summer jobs** (in SADCs, Internet access centres, businesses): 400 jobs offered every year to young people between 16 and 30 years of age funded by the Government of Canada
- **The Youth Strategy:** for young people from 18 to 35 years of age



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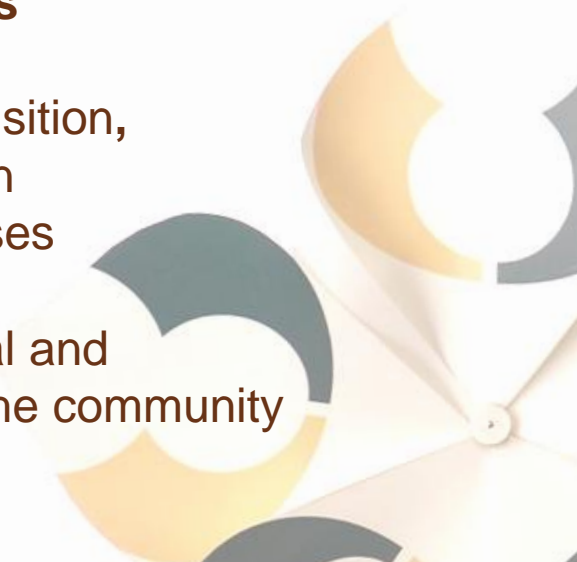


Youth Strategy Goals

- **Encourage** youth to create their own jobs
- **Slow down** the urban drift of today's young people

Youth Strategy Objectives

- **Ensure** the start-up, acquisition, expansion or modernization of youth-operated businesses
- **Enrich** their social, cultural and economic commitment to the community



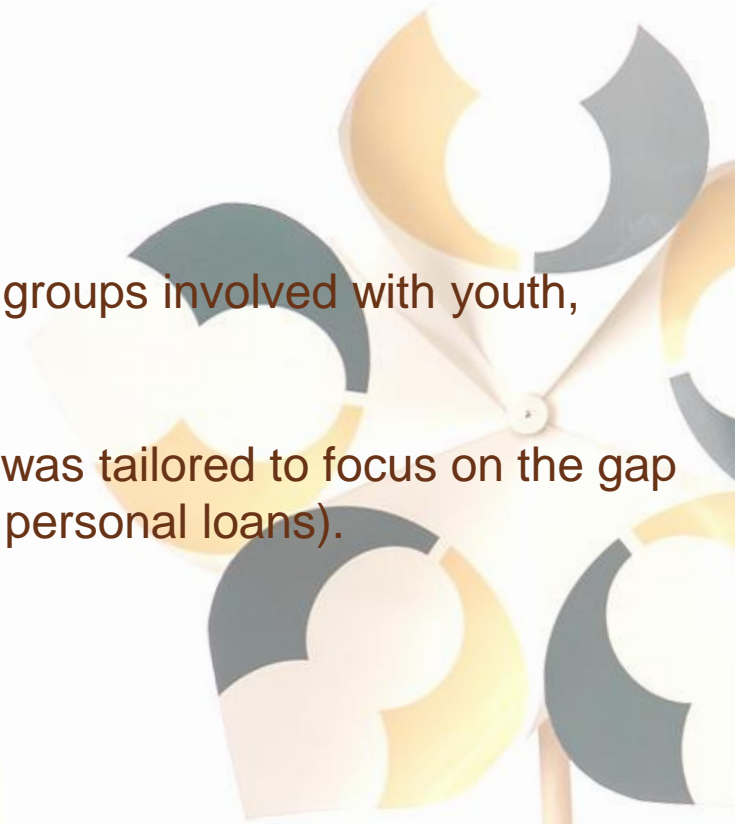
How can we encourage youth to create their own jobs?

The Youth Strategy was developed 12 years ago, in a partnership between the Réseau des SADC du Québec and Canada Economic Development, a Canadian government agency, in answer to the serious problems facing Québec's regions:

- High rate of youth unemployment
- High rate of youth migration

The initiative was designed in cooperation with all groups involved with youth, using a partnership approach.

Based on an analysis of the situation, the product was tailored to focus on the gap between the needs and the solutions offered (e.g. personal loans).



How can we encourage youth to create their own jobs?

Promotion and awareness

- Use of different activities and tools to reach youth

Coaching to develop and maintain projects

- Help prepare business plans
- Find investment sources
- Follow up projects

Financial support:

- Personal loan of from \$5,000 to \$15,000
- Interest-free for 24 months
- Possibility of a 24-month period without repaying the capital
- Possibility of financing two young entrepreneurs in the same business

Training and networking

- Identify training needs
- Create events to provide exchanges



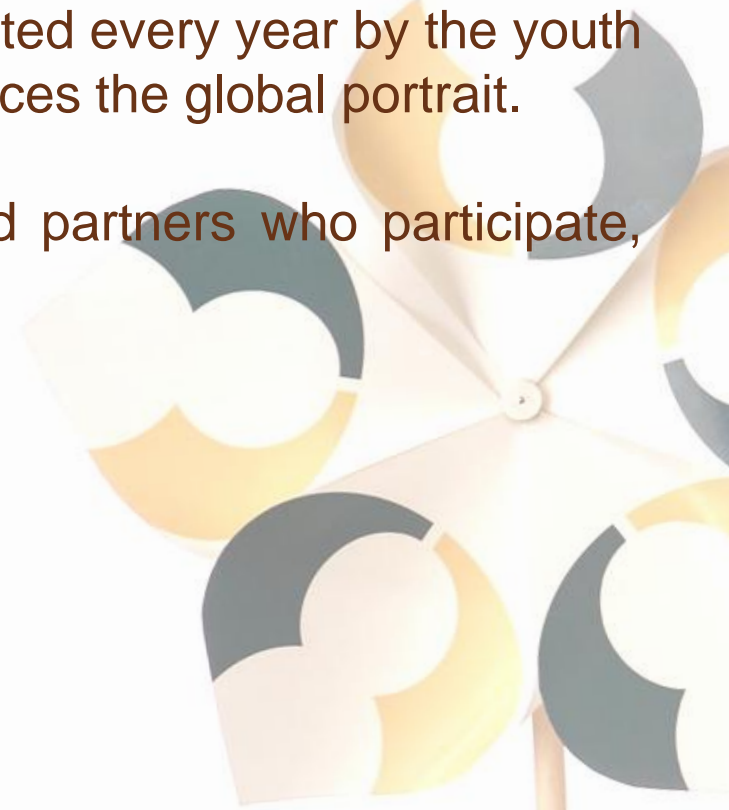
How can we encourage youth to create their own jobs?

Data collection is essential in order to demonstrate outcomes.

Over 12 years, two means have been developed to gather basic data:

A **database** compiling answers on 120 questions about inputs, outputs, outcomes and repercussions. A form is completed every year by the youth coordinator in every SADC. The Réseau produces the global portrait.

An annual **satisfaction survey** of clients and partners who participate, i.e. 15 SADCs.



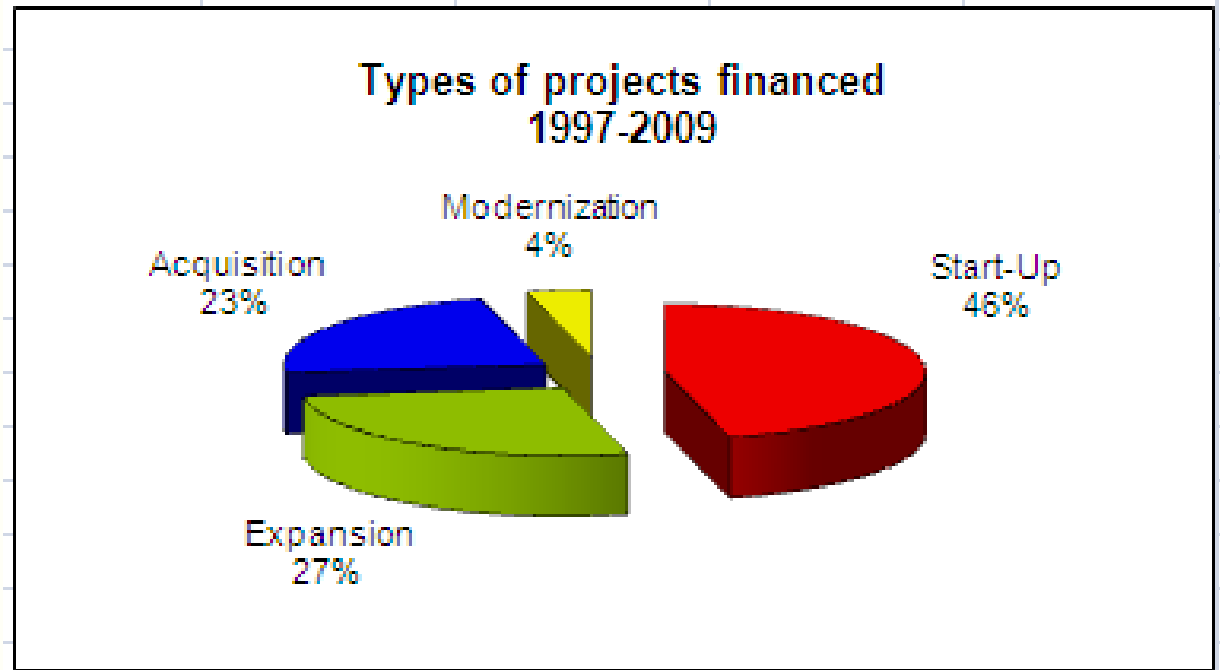
How can we encourage youth to create their own jobs?

Comparative table of indicators related to the youth strategy awareness component since November 1, 2000

	2000-2001	2001-2002	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Total number of awareness activities	382	331	384	403	351	337	368	320
Total number of awareness tools created	120	38	47	59	47	40	52	36
Total number of persons met	11,400	8624	12,460	21,057	14,177	13,106	21,216	15 759
Total number of community workers met	550	421	545	759	702	341	453	311
Total number of partners involved	860	524	733	875	763	625	737	738
Total number of promotional events held including information meetings on the Youth Strategy	441	375	449	348	491	363	429	387
Total number of persons who participated in these promotional events (i.e. the number of persons met)	8659	6458	7386	9844	8982	6 561	6207	6450

How can we encourage youth to create their own jobs?

Start-up projects are the most numerous (46%). Close to 70% of projects (start-up and acquisition) stem from new entrepreneurs. In 12 years, that stands for more than 2,200 new businesses and more than 3,800 new entrepreneurs for the Québec regions.

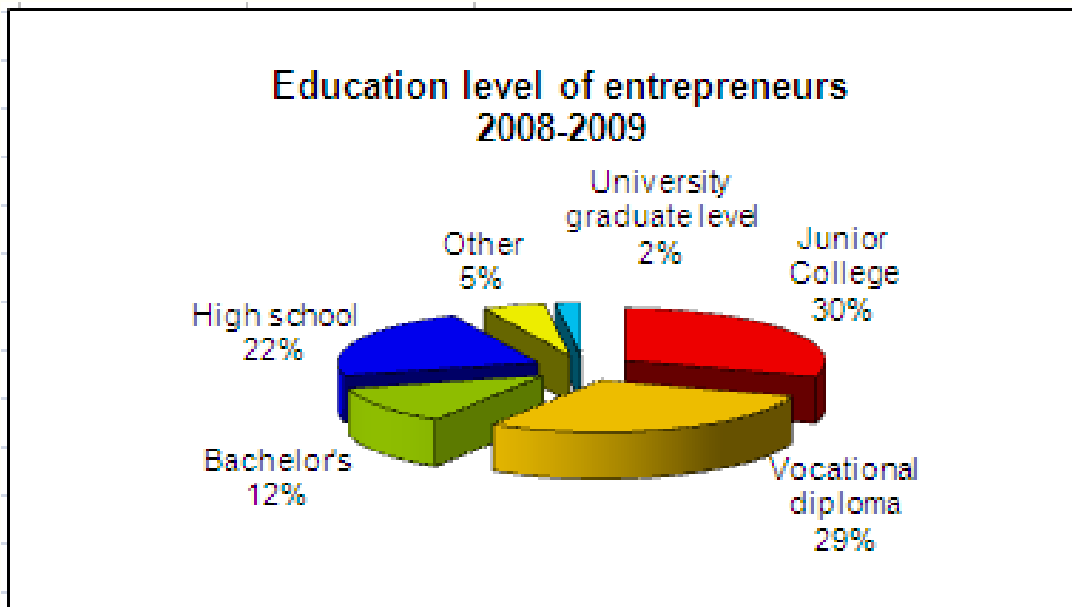
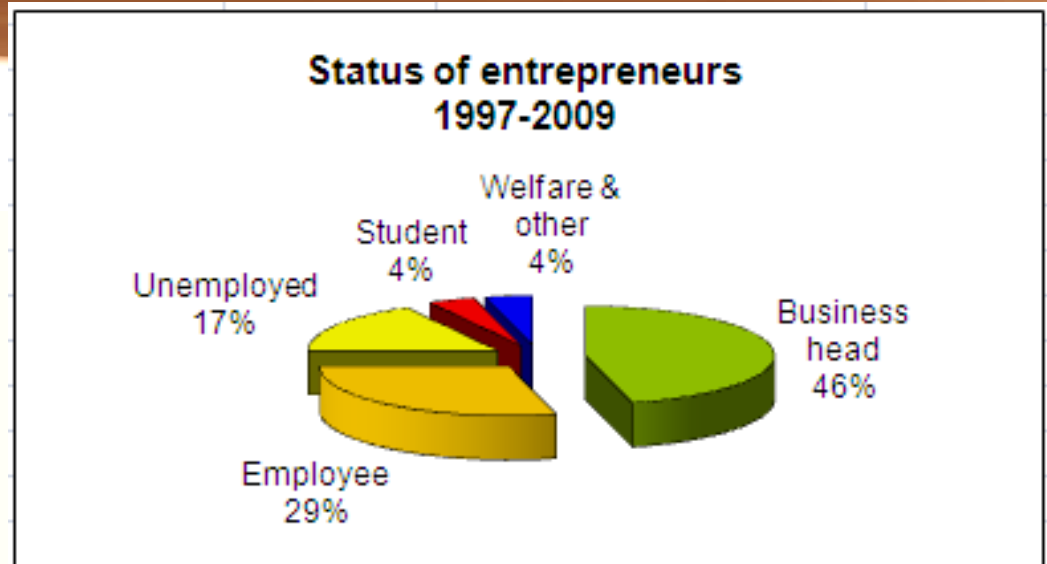


How can we encourage youth to create their own jobs?

Indicators of the Youth Strategy's success from November 1, 1997 to March 31, 2009	
Total number of jobs created	7 456 jobs
Total number of jobs maintained	10 832 jobs
Total number of businesses financed	4 757 businesses
Total number of entrepreneurs financed	5 753 businesses
Total number of entrepreneurs having finished repaying their Youth Strategy loan	2 467 entrepreneurs
Total number of entrepreneurs still in business after having repaid their Youth Strategy loan	1 923 entrepreneurs
Number of businesses that went bankrupt among all projects funded by the Youth Strategy (%)	457 businesses for 722 promoters
Number of businesses that shut down for reasons other than bankruptcy among all projects funded by the Youth Strategy (%)	652 businesses for 765 promoters
Number of entrepreneurs who completely stopped repaying their Youth Strategy loan following a closure or bankruptcy	608 entrepreneurs
Historical rate of loss of the Youth Strategy (%)	6.3%

How can we encourage youth to create their own jobs?

25% of youth financed did not have a job!



In the past years, most young people going into business had a high school, junior college or vocational diploma (81%).

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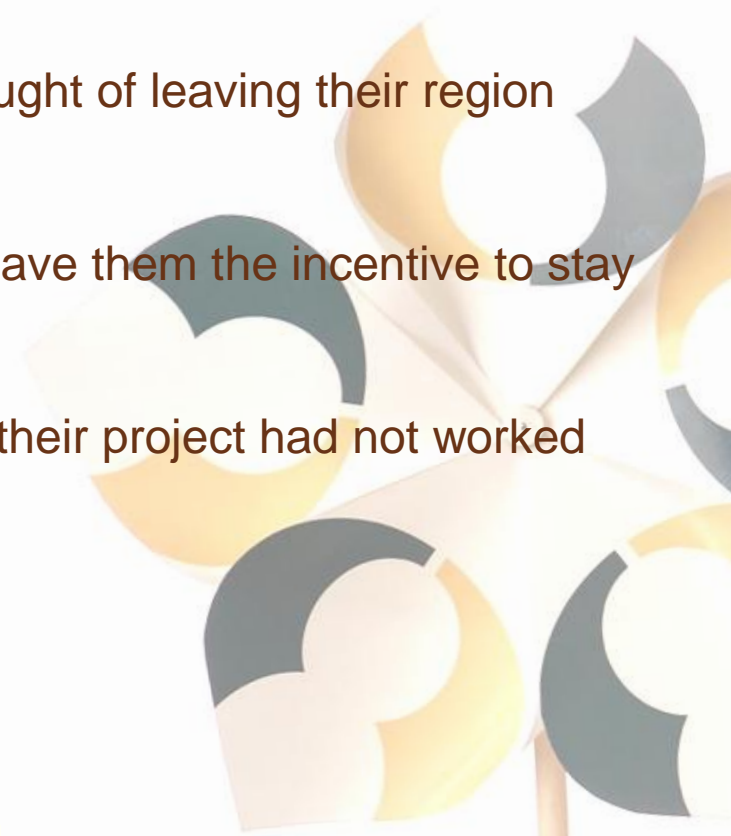
What clients have said

90% of entrepreneurs thought the follow-up activities were good opportunities for learning.

26% of entrepreneurs stated that they seriously thought of leaving their region due to lack of work.

93% of entrepreneurs mentioned that their project gave them the incentive to stay in their region.

30% of entrepreneurs might have left their region if their project had not worked out.



How can we encourage youth to create their own jobs?

Conclusion

In the past 12 years, the Youth Strategy has played an important role in making young people more aware of the advantages of entrepreneurship.

More than 5,700 young entrepreneurs have been able to start up, acquire, modernize or expand no fewer than 4,700 businesses. These businesses in turn have made it possible to create or maintain over 18,200 jobs, which can be considered a major asset for the regions.

But beyond this, the facts demonstrate that youth entrepreneurship is a fantastic tool to :

- Get youth into jobs - their own jobs
- Create new businesses and new jobs – for young people
- Slow down youth migration



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Conclusion (suite)

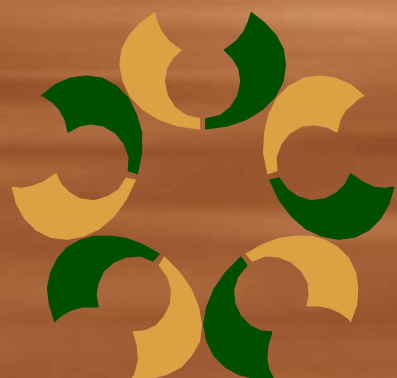
Factors of success for Youth Strategy

- Strong partnership in the field
- Indefectible commitment of the government
- Rigorous evaluation strategy

Impact of the partnership on a long term period

- Moving from “ delivering services and programs for government “ to “influencing development of the government’s policies and programs”
- Based on the recognition of the milieu





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