PRESS RELEASE

LLOYDS BANK

Tuesday 16 May 2017

For immediate release

FAMILY COMMITMENTS ACT AS BARRIER TO GROWTH FOR GENERATION X ENTREPRENEURS

- 1 in 4 (27%) Generation X entrepreneurs started a business for a better work/life balance but are struggling to find the flexibility they need
- Nearly a third (31%) admit that managing their family commitments is a significant challenge in achieving their future plans for business growth
- Cash flow, increased competition and the impact of Brexit are also key concerns for Generation X business owners

Generation X (31-50 years old) entrepreneurs struggle to balance family life with their ambitions for business growth, according to new research from Lloyds Bank.

This comes despite entrepreneurs identifying family priorities as a driving force for 'going it alone' in business, with more than a quarter (27%) admitting to starting their business in response to the need to find more flexibility to look after their children. Half of those surveyed (50%) admitted to working at least full time hours on their own business, while one in ten (8%) also hold down a part time job with another firm as a source of extra cash.

Almost one in four (24%) 31-50 year old entrepreneurs felt that one of the biggest challenges they faced when starting up their business was finding the time to spend with their family, and nearly a third (31%) admit that managing their family commitments is likely to be a significant challenge in achieving their future plans for growth.

According to the Office of National Statistics (ONS)*, the number of people having babies in their 30s and 40s is increasing compared to new parents under 25. The Lloyds Bank research found that more than three quarters (77%) of Generation X respondents had children under the age of 11 when they started their business, and more than one in three (35%) had children under 3-years-old.

Jo Harris, Managing Director, Lloyds Bank Retail Business Banking, said:
"Generation X entrepreneurs are ambitious and have strong growth expectations for the future of their businesses. The flexibility of self-employment is one of the prime motives for starting up a business at a time when family commitments are most demanding. However, in practice, we know that many find it a real struggle to manage their work/life balance and even more regard it as a barrier to growth. Business owners are not alone and a range of support is available, including mentoring, which can help to make lasting changes to get a better work/life balance and deal with other challenges they face."

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The future's bright

Despite the challenge of balancing work and family commitments, Gen X entrepreneurs hold high growth ambitions for their businesses with more than half (53%) wanting to increase their turnover and over a third (35%) wanting to increase their profit margins in the next 12 months. They're also the most confident that they will achieve it with Gen X business owners expecting an average increase in turnover of £18,000 over the next 12 months..

However, over a third (36%) of Gen X business owners are concerned that cash flow challenges will adversely impact their growth plans in the next year, while nearly one in three (31%) said they're concerned about increased competition and managing family commitments affecting their plans.

Interestingly, Gen X are the age group most concerned about the impact of Brexit and its potential effects on the economy with one in four (26%) anticipating this to be a challenge for their business plans, compared with just 18% of Millennials and 16% of Baby Boomers.

Nevertheless, business owners aged 31-50 are the least likely to prepare for the worst, with six in ten (61%) having no exit plan in place. Those who do have a plan are nearly three times more likely to wind up their business (14%) than sell to a competitor (5%) or sell their contact list (5%) and could be missing an opportunity to draw some final value from the business.

* Office of National Statistics report - Births in England and Wales: 2015

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Notes for editors

- This research defines Millennials as between the ages of 18-30, Generation X as 31-50 and Baby Boomers as 51+
- This research was conducted by BDRC in February 2017 on behalf of Lloyds Bank using a sample of **400** business owners. 125 of respondents were aged 18-30, 125 were aged 31-50 and 150 were aged 51 or over.
- Little more than a third (35 per cent) of businesses are aware of invoice finance, which can help short term cashflow challenges by allowing companies to access up to 90 per cent of an invoice's value within 24 hours of it being issued.
- Fewer than one in four (23 per cent) are aware of trade finance, which includes a range of tools to help businesses trade internationally.
- Even where there is better awareness of products, many companies are not taking advantage of them. While 60 per cent of small businesses are familiar with Hire Purchase & Leasing, only eight per cent used it in the past year.
- Lloyds Bank provides comprehensive expert financial services to businesses of all sizes, from start-ups and small businesses to mid-sized businesses and multinational corporations. We support almost one million small British businesses and start-ups including clubs, charities and societies with less than £1m turnover.
- Lloyds Banking Group is committed to helping businesses of all types and sizes, giving them the funding and support they need to grow at home and abroad. We have set out our pledges in our Helping Britain Prosper Plan.
- For our 2016 SME Charter we pledged to support 5,000 first time exporters; grow lending to small businesses; help 100,000 start-up businesses; and support small firms for their next phase of growth.
- In 2016 the Bank helped more than 100,000 start-ups get off the ground as part of its commitment to supporting British enterprise.
- Since the start of 2011, we have grown our lending to SMEs by 29% net, while the market has contracted by 12%.
- To see the latest supporting businesses factsheet please visit:

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http://www.lloydsbankinggroup.com/media/media-kit/sme-fact-sheet/

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