



*Lemonade Day!*TM

Impacting the Next Generation
of Business Leaders

Youth Survey 2017

Youth Entrepreneurship Education

From the World Economic Forum to the Kauffman Foundation, the message from our world's leading minds is the same: We need creative, inventive, entrepreneurial-thinkers to lead the way in solving some of the most troubling social and economic problems facing our nation and, in fact, the world.

Lemonade Day provides key entrepreneurial and character building education that will start to build the human capital we need for our future. By providing this critical training, we are laying the foundation to rebuild the American dream: the ideal that every citizen should have an equal opportunity to achieve success and prosperity through hard work, determination, and initiative.

At Lemonade Day, we believe every child should have access to our program because the skills children gain over the course of the Lemonade Day experience are game changers. Children who participate in Lemonade Day are offered a unique opportunity to literally change the trajectories of their young lives.

Lemonade Day leverages the optimism of youth and combines it with the life skills, business skills, mentorship, and real-world experience necessary to become successful entrepreneurs. Youth set goals, create plans, and work their plans to achieve success. They earn real money and use 100% of their profit to spend, save, and share based on their goals. Along the way, youth build self-esteem and new mindsets that can propel them to success they may not have pursued otherwise.

We authorized this impact survey to establish the value of experiential youth entrepreneurship education, delivered in a community setting. Based on responses collected from a sample set of youth in North America, we are able to determine that Lemonade Day has had a meaningful impact on the youth that participated and ran their own lemonade stands. These youth improved their business and communication skills, increased their self-esteem and confidence, and discovered a drive for entrepreneurship.

Our children are our future; if we can ignite their entrepreneurial spirit we can transform their lives. Participating in a program like Lemonade Day makes their academic lessons relevant, encourages school completion, promotes active authorship of their own lives, and sets the foundation for future success. We have hope that this survey will encourage increased investment in youth entrepreneurship education.

Steven Gordon
President, Lemonade Day National



IN COOPERATION WITH:

GALLUP

Lemonade Day: Impacting the Next Generation of Business Leaders

Lemonade Day is a free educational initiative that introduces youth to entrepreneurship, teaching them how to start, own, and operate their own business – a lemonade stand. Lemonade Day teaches skills that will prepare youth for both business and life, and the program culminates in the real-world experience of participants going into business by setting up their lemonade stand. The nonprofit was started in 2007 in Houston, Texas, and has reached over a million youth since its inception.

Michael Holthouse founded Lemonade Day with the intention of creating lessons that provide tactical steps about becoming a successful entrepreneur. Entrepreneurship and small business are critical parts of the U.S. economy. In fact, small businesses, defined by the Small Business Administration (SBA)¹ as companies with 500 employees or fewer, comprise 99.9% of firms in the U.S. economy. These same businesses now provide 55% of jobs in the U.S. and 66% of all net new jobs since the 1970s². However, an alarming number of small business fail before they can really get off the ground. About two-thirds of new business survive 2 years in business, half of all businesses will survive 5 years, but only one-third will survive 10 or more years.³ Understanding the details of how to operate a business is critical in the early years of any start-up.

The importance of entrepreneurship is not only found in small business, but also in poverty rates and unemployment measures. A study by the Goldwater Institute has shown that for every 1 percentage point increase in the rate of entrepreneurship in a state, there is a 2 percent decline in the poverty rate.⁴ Fostering more entrepreneurs can be extremely impactful for communities across the country. In addition, youth unemployment is increasingly becoming an international crisis. As of May 2017, youth unemployment in the US was at 9.3%, costing each young person who has been unemployed for at least six months \$22,000 in earnings over the next 10 years.⁵

Teaching young people about entrepreneurship is a solution that is consistently said to be the best way to create more and better jobs. The key is making sure the business lessons are being taught so students know how to start and run a business. The Gallup-Hope Poll is a nationally representative survey of America's 5th through 12th graders. In 2016, only 43% of students in the Gallup-Hope Poll agreed that their school offered classes on how to start and run a business⁶. Over half of American school children are not receiving these important lessons in the classroom. In addition, a study by the Small Business Administration found that millennials, the youngest group included in their survey, have decreasing rates of entrepreneurship compared to Generation X and Baby Boomers, which could have major economic implications⁷. These data points taken together give organizations like Lemonade Day an increasing level of importance to prepare young people to be the business leaders of tomorrow.

¹ https://www.sba.gov/sites/default/files/advocacy/SB-FAQ-2016_WEB.pdf

² <https://www.sba.gov/managing-business/running-business/energy-efficiency/sustainable-business-practices/small-business-trends>

³ <https://www.sba.gov/sites/default/files/Business-Survival.pdf>

⁴ Stephen Silvinski, "Entrepreneurship Is a Key to Poverty Reduction," Goldwater Institute, November 13, 2012.

<http://www.goldwaterinstitute.org/en/work/topics/free-enterprise/entrepreneurship/entrepreneurship-is-a-key-to-poverty-reduction/>

⁵ <https://www.americanprogress.org/issues/economy/reports/2013/04/05/59428/the-high-cost-of-youth-unemployment>

⁶ <https://www.operationhope.org/Gallup-HOPE-Index>

⁷ Daniel Wilmoth, "The Missing Millennial Entrepreneur," SBA, February 2016. https://www.sba.gov/sites/default/files/advocacy/Millennial_IB.pdf



Lemonade Day Impact

40 Developmental Assets

Lemonade Day measures its impact in a variety of ways. First, Lemonade Day is one of a select list of nonprofit programs that hits on all aspects of the 40 Developmental Assets⁸. The Developmental Assets are 40 research-based, positive experiences and qualities that influence young people's development, helping them become caring, responsible, and productive adults. Over time, studies of more than 5 million young people consistently show that the more assets that young people have, the less likely they are to engage in a wide range of high-risk behaviors and the more likely they are to thrive. When youth are exposed to more assets, they are more likely to do well in school, be civically engaged, and value diversity. However, the average young person experiences fewer than half of the 40 assets. Lemonade Day incorporates topics from all 40 assets, including Empowerment, Planning and Decision Making, and Positive Values, making Lemonade Day participants more likely to thrive.

⁸ <http://www.search-institute.org/what-we-study/developmental-assets>



Business Results and Mentor Survey

Another way that Lemonade Day tracks its impact is through end of program surveys. The immediate results of each lemonade stand are collected via Business Results forms. These forms ask each youth that held a stand to provide information about their revenues and profits, along with a breakdown of what each child “Spent, Shared, and Saved” with the money. This information allows Lemonade Day to determine the average profit that each stand makes (it was \$168 in 2016), along with how young entrepreneurs are spending their money.

The Mentor Survey is a web survey sent out to parents, teachers, and caring adults that mentor the youth through the Lemonade Day program. This survey asks mentors to evaluate how Lemonade Day impacted and increased their youth’s skills in personal and business areas. The results are collected each year and consistently show high improvement. The results for Lemonade Day 2017 as show below.⁹

86%
of caring adults saw improvement in their youths’ **ability to set financial goals**

- **88%** said Lemonade Day increased their youths’ **knowledge of financial vocabulary**
- **86%** of caring adults saw improvement in their youths’ **ability to set financial goals**
- **87%** said their youth had an **increased understanding of saving and philanthropy**
- **88%** that said Lemonade Day helped their youth to **correlate math with the real world**
- **88%** saw improvement in their youths’ **communication skills**
- **88%** saw a direct correlation between participation in Lemonade Day and an increase in their youths’ ability to **problem solve and be resourceful**
- **86%** said that their youth had an increased **sense of purpose**
- **87%** said Lemonade Day improved their youths’ sense of **personal responsibility**
- **87%** felt that their youths’ **self-esteem** improved
- **88%** said Lemonade Day helped their youth to understand the importance of **seeing a project through**

⁹ This data is based on 626 mentor responses as of July 2017.

Impact Survey

In 2017, Lemonade Day celebrated its tenth anniversary. This year, the national office decided to take a deeper dive into the results and impact that Lemonade Day has had on participants over the years. In addition to collecting the immediate impact from the Business Results and Mentor Survey, another survey was developed to find out more about the longer-term impact of Lemonade Day on past participants. The survey was intended to determine impact on the youth's future goals, hopes, and attitudes, along with their entrepreneurial motivation.

By looking through other nonprofit impact reports and findings, it was determined that a good way to show program strength is to find metrics that can be compared between those engaged by the nonprofit and those not engaged. In this case it would be those who participated in Lemonade Day compared with other American youth. Working with Joe Daly, National Lemonade Day Board Member and a Director at Gallup, a survey was devised that would correspond to questions Gallup is asking youth in their polls. That way, Lemonade Day could ask participants the same questions and find out if Lemonade Day kids answer the questions any differently.



Methodology

A survey was created with proprietary questions from Gallup, used with permission, along with questions specific to Lemonade Day. The survey was sent via email to a group of past Lemonade Day participants from 2014-2016. The survey group was determined based on contacts in Lemonade Day's Salesforce database who had previously responded to a Lemonade Day survey request. The web-based survey was sent to 1,873 email addresses and 159 responses were received.

The survey included 15 statements from Gallup, where respondents were asked to rate their agreement on a scale from Strongly Agree to Strongly Disagree. After speaking with Gallup consultant, Valerie Calderon, Ph.D., four questions were selected to be evaluated further to be put in context of the Gallup Student Poll and Gallup-Hope Index. An analysis of those questions is included in this report. The original 159 Lemonade Day survey responses were reviewed and scrubbed to include 5th through 12th grade students, as well as high school graduates. "Don't know" responses were excluded from the calculations. A total of 88 responses were used that best resembled the survey samples and methods used in the Gallup surveys. The four key questions are broken down in the body of this document.

Gallup Surveys Referenced

The Gallup Student Poll:¹⁰ The Gallup Student Poll includes responses from nearly one million 5th-12th graders in the US. The poll is administered by schools that chose to opt-in. From Gallup, “The overall data from the annual administration of the Gallup Student Poll may not reflect the U.S. student population.” Therefore, we cannot directly compare the Lemonade Day survey results to the general American youth population, but can use this survey as context to understand the Lemonade Day responses.

The Gallup-Hope Index:¹¹ “The 2016 Gallup-HOPE Index findings are based on results from a nationally representative telephone survey of 1,006 U.S. students in grades five through 12.” Therefore, the results of these data are representative of American youth and can be compared to the Lemonade Day results. However, it is important to note that the Gallup-Hope Index survey was conducted via phone, while the Lemonade Day Impact Survey was administered via the web. Possible mode effects are not considered within this report.

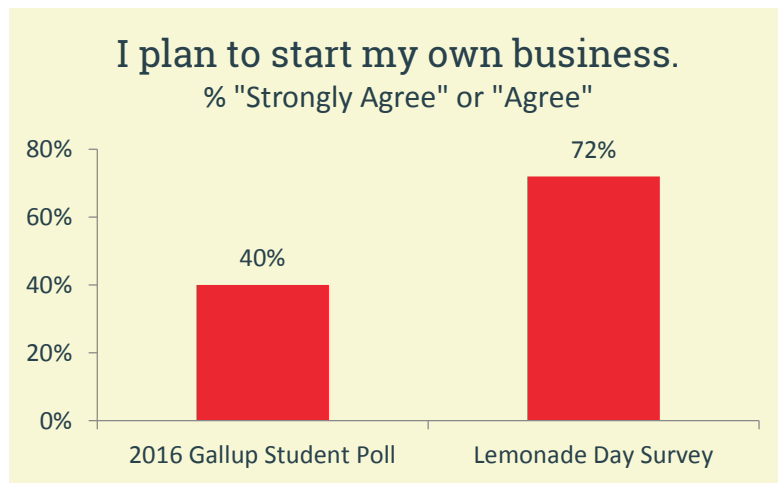
4 Key Survey Questions

“I PLAN TO START MY OWN BUSINESS.”

	2016 Gallup Student Poll	Lemonade Day*
% Strongly Agree	24	49
% Agree	16	23
% Neutral	22	22
% Disagree	16	4
% Strongly Disagree	22	3

*Lemonade Day n = 79

72%
said they plan to start their own business



Lemonade Day students show a desire to continue their entrepreneurial aspirations even once the program is over. 72% of those surveyed said they either strongly agree or agree with the statement that they plan to start their own business. To provide context to this item, we can see what over one million of the nation’s students say about this. The Gallup Student Poll includes the same item; only 40% strongly agreed or agreed that they plan to start their own business.

¹⁰ <http://www.gallupstudentpoll.com/home.aspx>

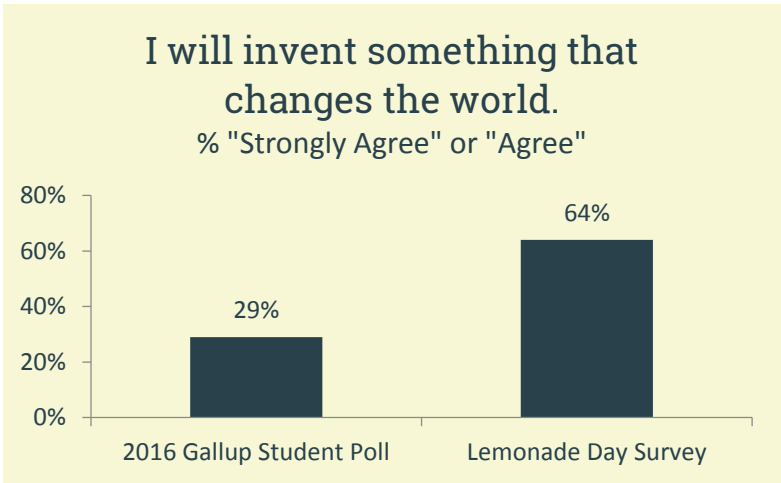
¹¹ <https://www.operationhope.org/Gallup-HOPE-Index>

"I WILL INVENT SOMETHING THAT CHANGES THE WORLD."

	2016 Gallup Student Poll	Lemonade Day*
% Strongly Agree	15	40
% Agree	14	24
% Neutral	25	26
% Disagree	20	6
% Strongly Disagree	26	4

*Lemonade Day n = 70

64%
 said they will invent something that changes the world



Lemonade Day youth have big dreams for their future. Based on our survey, 64% of Lemonade Day participants surveyed strongly agree or agree that they will invent something that changes the world. Again, referencing the 2016 Gallup Student Poll for context, 29% strongly agreed or agreed that they would invent something that changes the world. Lemonade Day youth surveyed are more than 2 times as likely to say they will invent a world changing product compared with the students surveyed in the Gallup Student Poll. Lemonade Day encourages youth to dream big, and provides steps for how kids can set a plan to achieve their dreams.



"I CAN FIND LOTS OF WAYS AROUND ANY PROBLEM."

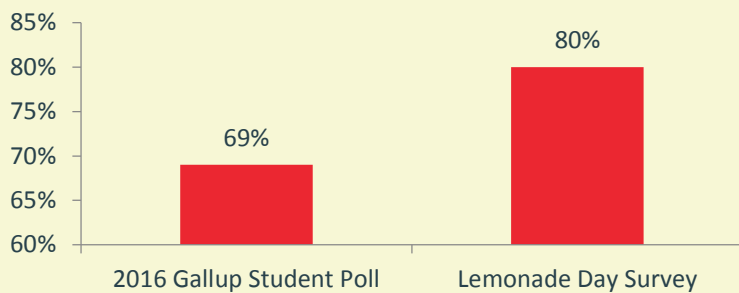
	2016 Gallup Student Poll	Lemonade Day*
% Strongly Agree	34	43
% Agree	35	37
% Neutral	22	15
% Disagree	6	2
% Strongly Disagree	3	3

*Lemonade Day n = 87.

80%
 said they could find lots of ways around a problem

I can find lots of ways around any problem.

% "Strongly Agree" or "Agree"



Lemonade Day participants learn to be resourceful. Eight in 10 (80%) of Lemonade Day participants surveyed said they strongly agreed or agreed with the statement that they could find lots of ways around a problem. In the Gallup student poll, nearly one million students were asked to respond to a similar statement, "I can find many ways around problems," and 69% responded that they strongly agreed or agreed with that statement.

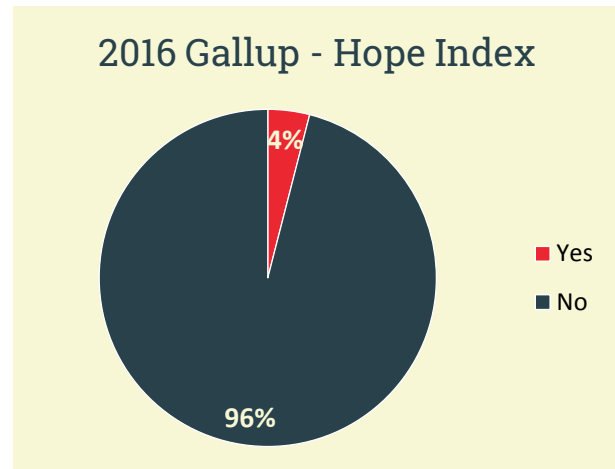
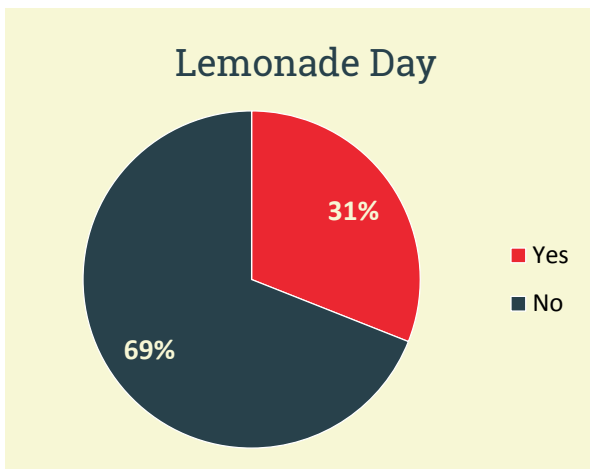
"DO YOU RUN YOUR OWN BUSINESS NOW?"

	2016 Gallup-Hope Index	Lemonade Day*
% Yes	4	31
% No	96	69

*Lemonade Day n = 87.

The goal for Lemonade Day is to teach young people how to start and run a business so that they can become successful entrepreneurs. Our survey shows that many Lemonade Day participants are continuing to create and run business after the program is over. In fact, 31% of our survey respondents say they are running their own business today. The Gallup-Hope Index, a representative survey of students in grades 5 through 12, found that just 4% of students run their own business. Lemonade Day youth are nearly 8 times as likely to say they are running their own business compared to American youth.

31%
 said they are running their own business today



Summary of Impact Survey

While we cannot directly compare data to Gallup survey results, in all cases, they do provide valuable context for understanding the Lemonade Day survey results, and results look good. Lemonade Day participants appear to be excelling in all four key questions, which speaks to the impact that the Lemonade Day program can have on youth in the areas of entrepreneurship, problem-solving, confidence, and innovation.

It is especially encouraging to see the number of participants that are starting their own businesses. Compared to the Gallup-Hope Index poll, Lemonade Day youth responded that they run their own business now at a level that is 8 times that of students in grades 5 through 12. There are 38 youth-led businesses from just this sample alone.

Lemonade Day followed up with some of these kids, and the businesses span a wide range of industries. Some of the youth have continued to run their lemonade stands and sell lemonade outside of the Lemonade Day program. There are also a few baking businesses, a t-shirt business, a business that creates natural soaps and body products, and a graphic design consultant, just to name a few. In addition, two Lemonade Day participants have been featured and funded on Shark Tank: Mikaila Ulmer of Me & The Bees Lemonade and Ryan Kelly of Ry's Ruffery.

In addition to the key questions, youth were also asked about their experience with Lemonade Day. The results show that 90% of the survey respondents did hold a lemonade stand and 91% of that group made a profit, with 83% saving at least some of their profit. The survey also shows that on average, about 3.2 youth work at a lemonade stand together.





Conclusion

Lemonade Day has reached over one million youth since its inception. With the results collected at the end of each Lemonade Day, combined with the findings in the impact survey, it is clear that Lemonade Day is having an impact on the youth that participate. With Lemonade Day, youth improve their business and communication skills, increase their self-esteem and confidence, and discover a drive for entrepreneurship. As stated at the beginning of this paper, entrepreneurship will continue to be an important part of our economy and a driver of good jobs, but less than half of students in the Gallup-Hope Index agreed that their school taught classes about how to run a business. This means programs that encourage innovation and entrepreneurship are even more important. The mission of Lemonade Day is to encourage youth to become the business leaders, social advocates, community volunteers and forward-thinking citizens of tomorrow, and the results show that the organization is achieving its mission.

Lemonade Day!™



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