



The 2012 Gallup-HOPE Index

produced by GALLUP and Operation HOPE

DEAR FRIENDS

There is \$140 trillion in untapped global GDP up for grabs between now and 2040. Our youth -- 30 million people 8-18 years old -- represent the up-and-coming economic energy America will depend upon if it is to win in this global economic battle.

In 2040, the winners determine who will lead the free world, who has the biggest military budget to secure both protection and global democratic stability, who can afford international aid or charitable efforts to other nations and people in need, and which nation gets to determine global priorities. Bridging the gap between students' economic attitudes and energy and their participation in the U.S. economy - with only about half (54%) saying they have a bank or credit union account with money in it - is critical to the United States of America even having a shot.

What these kids end up doing determines where America lands at the end of this all-out fight. They are the farm club and bench strength for the playoff game of the rest of our lives; and according to the 2012 Gallup-HOPE Index, they continue to be up for the challenge.

Gallup and Operation HOPE measured the economic energy of American's youth in 2012 for a second year, as part of a 100-year commitment. You will read the results in the subsequent pages.

More young people say they have internships or business role models now than did a year ago but we have a long way to go to close the gap and increase the percentage of young people with mentors in their life to ignite their passions and help them to chart their future.

Gallup and Operation HOPE are engaging strong local leaders to take these important metrics and implement the right interventions to double the level of economic energy and quadruple the number of role models but we have millions of youth to reach and thousands of business role models to engage to get from 7% to 20%.

We invite you to explore the findings, to think about the implications, and to determine what your role will be.



Jim Clifton
Chairman
Gallup



John Hope Bryant
Founder, Chairman and Chief Executive Officer
Operation HOPE

The goal of the Gallup-HOPE Index is to identify and empower the youth who will be our nation's next generation of business builders, so communities can ignite and sustain long-term economic energy.



America needs to quickly develop a system to identify and equip young entrepreneurs who can rev up its economic engine. This is critical to a future of continued global economic advantage and ensuring that generations of Americans can prosper and thrive.

Gallup and Operation HOPE in 2011 partnered to create the Gallup-HOPE Index to quantify young people's attitudes about entrepreneurship and financial literacy. The Index is an annual measure leaders can use to gain insight into how young Americans envision their economic future and to understand their level of participation in our nation's economy. The goal of the Gallup-HOPE Index is to identify and empower the young people who will be the next generation of entrepreneurs, so communities can spur and sustain long-term economic energy.

Informed by Gallup-HOPE Index data, Operation HOPE is working with communities to invest in powerful strategies and interventions aimed at turning this audacious goal into reality. Economic energy is established organically and locally – one talented entrepreneur at a time.

Entrepreneurship plays a vital role in the health of the U.S. economy, and yet the number of new business establishments less than 1 year old was at an all-time low for the year ending in March 2010 since the U.S. Bureau of Labor Statistics began tracking the age of businesses in 1994.

The future depends more than ever on the success of our youth. We cannot afford to have any potential new business builders drop out of the economic race, and yet more than 1.2 million students drop out of high school each year. These young people restrict themselves to a near-certain lifetime of economic hardship and jeopardize our nation's global competitiveness.

By understanding how young people envision their economic future, we can inform interventions and education aimed at eliminating gaps in resources that could marginalize some students from full and meaningful participation in our nation's economy. The Gallup-HOPE Index is a first-of-its-kind survey that creates an annual benchmark around the economic energy of the nation's young people. So far, it suggests we are failing to recognize and maximize entrepreneurial talent and aspiration in our young people. But the data also tell a story of hope, shining a light on the path that educators, policymakers, and community leaders must navigate to build and sustain thriving communities.

SUMMARY OF FINDINGS

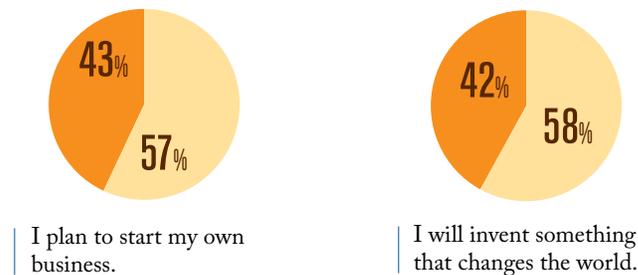
The 2012 Gallup-HOPE Index, based on a study of 1,217 5th through 12th graders in the U.S., shows that many students in the U.S. have the entrepreneurial aspiration and energy they need to build a business that will survive, grow, and employ others. The study explores what students think about their economic future and the access they have to the education and experience needed to realize their aspirations.

Nearly Half of Young People Have Entrepreneurial Intentions

About 4 in 10 students (43%) say they plan to start their own business, similar to the rate seen in 2011. Similarly, four in ten students (42%) say they will invent something that changes the world. Girls (46%) were more likely to agree they plan to start their own business than boys (40%); whereas boys (45%) were somewhat more likely than girls (40%) to say they will invent something that changes the world. With the success rate of new business upstarts reportedly flat (Dunn & Bradstreet, 2012), it is important to help young entrepreneurs be persistent in their quest to start a business. **{Fig. 1}**

Fig. 1

■ Agree ■ Disagree



Young People Understand the Link – More Education Means More Money[≠]

The majority of students (59%) agree their school offers classes in how to start and run a business. This is up from 2011 in which half indicated their school offers such classes.

More than half (66%) of students say their school teaches them about money and banking, also up from 2011. Nine in 10 (93%) students agree there is a relationship between education level and earning potential. **{Fig. 2}**

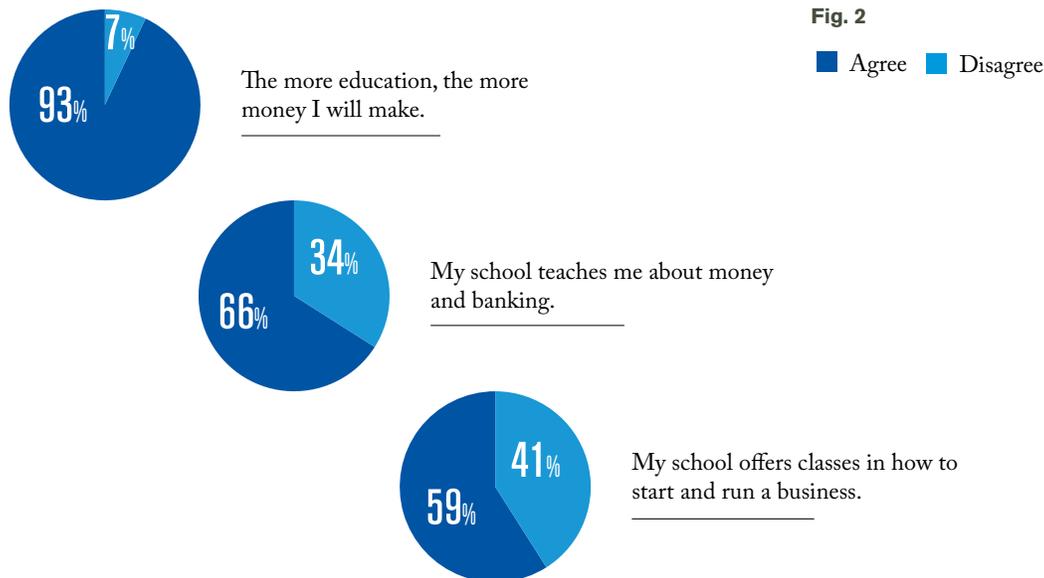
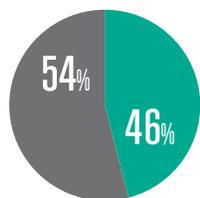
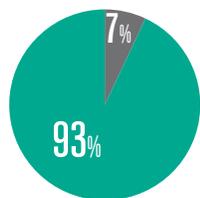


Fig. 3

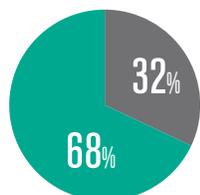
Do you have a bank or credit union account with money in it?



Are you currently interning with a local business?



Have either of your parents or guardians ever started a business?



Economic Participation Trails Aspirations

The Gallup-HOPE index shows a large disconnect between students' economic attitudes and energy and their participation in the U.S. economy. About half (54%) say they have a bank or credit union account with money in it. **{Fig. 3}**

Fewer boys (51%) than girls (58%) indicated they have a bank or credit union account. White students (58%) were somewhat more likely than non-white students (50%) to say they have a bank account. Age is the strongest predictor for whether students have money in a bank account. Six in 10 older students in grades 9 through 12 and 48% of students in grades 5 through 8 have money in a bank account.

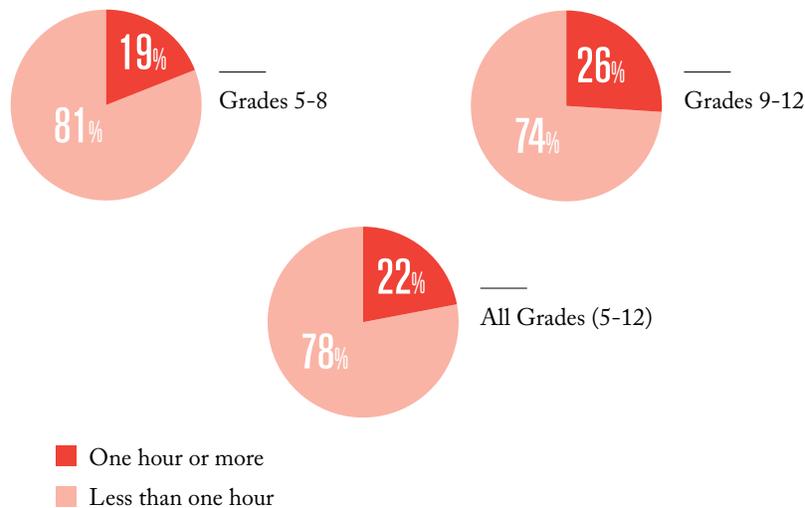
Only 7% of students say they are currently interning with a local business, up marginally from 2011 findings. About one-third (32%) of young people say their parents or guardians have started a business.

■ Yes
■ No

The majority of students (78%) across all grade levels did not work for more than one hour at any paying job in the last week. 81% of students in grades 5 through 8 and 74% of older students (grades 9 through 12) did not work more than 1 hour at a paying job. With little exposure to workforce experience, few youth have any experience at all in the workforce or in business building. **{Fig. 4}**

Fig. 4

How many hours did you work at any paying job last week?



Close the Gap between Entrepreneurial Aspirations and Experience

American cities must ignite economic energy earlier and more intentionally in young Americans. With policies and curricula in place, leaders can begin to close the gap between entrepreneurial aspirations and attitudes in youth and the lack of universal access to business/entrepreneurship education, practical work experience, and participation in the economy. Successful small business owners and entrepreneurs should invest in career literacy and education, partnering with schools and educators to mentor and invest in young talent (Badal & Srinivasan, 2011).

Simply put, for U.S. communities to be thriving places to live and learn well into the future, America will need to engage in the coming jobs war (Clifton, 2011) with a strategy that includes investment in the youngest and most hopeful among us – our youth.

SURVEY METHODS

The Gallup-HOPE Index findings are based on results from a nationally representative poll of 1,217 students in grades 5 through 12. Telephone interviews were conducted after 4:00 p.m. Tuesday through Saturday from September 11 through October 4, 2012.

The Gallup-Healthways Wellbeing Index is a national telephone survey conducted nightly with 1,000 randomly sampled adults. It uses a dual-frame design to include both landline and cellular telephones. Respondents are asked permission to be re-contacted. Samples are weighted by gender, age, race, Hispanic ethnicity, education, region, adults in the household, and phone status (cell phone only/landline only/both, cell phone mostly, and having an unlisted landline number). Demographic weighting targets are based on the March 2010 Current Population Survey figures for the aged 18 and older non-institutionalized population living in U.S. telephone households. All reported margins of sampling error include the computed design effects for weighting and sample design.

The Well-Being Index includes a question asking whether the respondent has children and if so, the year in school of the child. The weighted subset of households with parents of school-aged children in grades 5 through 12 who granted permission to be re-contacted served as the sampling frame for this study. These respondents were then called by telephone to ask permission to interview their children.

For results based on the total sample of national students, one can say with 95% confidence that the maximum margin of sampling error is ± 3 percentage points.

In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.

For more details on Gallup's polling methodology, visit www.gallup.com.

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Entrepreneurial Attitudes and Aspirations

- I plan to start my own business. (Agree/Disagree)
 I will invent something that changes the world. (Agree/Disagree)

Financial Literacy and Workforce Participation

- The more education, the more money I will make. (Agree/Disagree)
 My school teaches me about money and banking. (Agree/Disagree)
 My school offers classes in how to start and run a business. (Agree/Disagree)
 Do you have a bank or credit union account with money in it? (Yes/No)
 Are you currently interning with a local business? (Yes/No)
 Have either of your parents or guardians ever started a business? (Yes/No)
 How many hours did you work at any paying job last week? (Open Ended)

	<i>% Agree</i>	<i>% Disagree</i>
I plan to start my own business.	43	57
I will invent something that changes the world.	42	58

	<i>% Agree</i>	<i>% Disagree</i>
The more education, the more money I will make.	93	7
My school teaches me about money and banking.	66	34
My school offers classes in how to start and run a business.	59	41

	<i>% Yes</i>	<i>% No</i>
Do you have a bank or credit union account with money in it?	54	46
Are you currently interning with a local business?	7	93
Have either of your parents or guardians ever started a business?	32	68

<i>How many hours did you work at any paying job last week?</i>	<i>One hour or more</i>	<i>Less than one hour</i>
Grades 5-12	22	78
Grades 5-8	19	81
Grades 9-12	26	74

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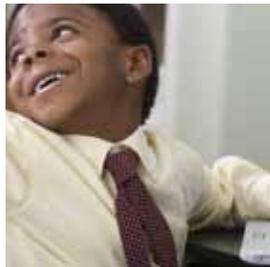
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A Call to Action

In 2012, the Gallup–HOPE Index partnership introduced the Gallup–HOPE Index Cities Initiative and successfully launched the HOPE Business–In–A–Box (HBIAB) intervention in three pilot cities.

In 2013, Operation HOPE and Gallup will build upon this success, expand the scope of the Gallup–HOPE Cities Initiative, and partner with the corporate, civic, and individual leaders of each city to benchmark the current level of economic energy among 5th through 12th graders, who represent that city’s next generation of business builders.

The big goal for this Initiative is nothing less than transformational change for a generation of youth attending America’s public schools. This transformational change includes crushing the high-school dropout rate by making “smart cool (again) so kids stay in school”; reconnecting the power of education with the power of aspiration; spurring local job creation; spiking local GDP growth; and therein, insuring the future prosperity of our nation. The key to the success is local leadership so each target community can ignite and sustain long-term economic energy.

In 2013, a primary strategy is to identify and empower business role models to empower youth, on a local level, who will be our nation’s next generation of ideas, innovation, implementation, and sustainability. Each role model will be paired up with a youth participating in HBIAB.

To speak to the leadership of the GALLUP–HOPE Index about implementing any portion of the program in your area, please contact Mary Ehram President of the Global Youth Empowerment Group, Operation HOPE at mary.hagerty@operationhope.org or 917-477-2811.



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