

Press release: 26,000 new businesses set up by entrepreneurial jobseekers

Entrepreneurial jobseekers have set up more than 26,000 new businesses thanks to a government scheme that helps unemployed people turn their dreams of becoming their own boss into a reality, new figures published today (21 August 2013) show.

From gourmet chocolate companies to internet games designers, the New Enterprise Allowance (NEA) has been behind a wide range of new ventures since it was introduced in 2011, with the most recent statistics showing around 2,000 new businesses being set up every month.

The NEA offers expert mentoring and financial support to jobseekers who want to start up their own business, helping people who have previously been on benefits turn their business ideas into successful enterprises.

Today's figures also show that beneficiaries of the scheme come from all ages, with more than 6,000 businesses started by people aged 50 or over – challenging the idea that entrepreneurial zeal is solely a youthful attribute.

Almost 4,000 disabled people were also helped by the scheme to become their own boss.

Minister for Employment Mark Hoban said:

The New Enterprise Allowance is a great example of the aspiration nation in action: government offering support to people with ideas, as well as the 'can-do' attitude to turn them into successful enterprises.

Every month, we are successfully supporting around 2,000 jobseekers to get off benefits and start their own business so that they can fulfill their aspiration to look after themselves and their families.

Welcoming the announcement, entrepreneurship ambassador, Levi Roots said:

I am a big fan of the New Enterprise Allowance – it's a great scheme, which helps people with ideas make the most of their talent.

By offering expert mentoring support and start up funds it sends a message to those thinking about starting their own business: 'you're not alone'.

Case studies

Luke Boulton-Major

Luke Boulton-Major, 26, set up a martial arts and fitness centre in Bristol through the NEA scheme. Luke spent 4 years training and studying taekwondo in South Korea in his early twenties. On his return to the UK he couldn't find work or anywhere to continue his martial arts training.

After being unemployed for 6 months he took part in the NEA scheme and decided to open up his own gym and martial arts centre in Bristol which is now the biggest purpose-built martial arts centre in the country.

Simon Short

A Grimsby entrepreneur, who spent 16 years in and out of prison, has set up his own business through the NEA.

Simon Short, who set up education and training social enterprise, The Intelligence Project, says:

Self-employment is the quickest way for offenders to be employed, if their risk-taking nature and money-oriented traits can be channelled positively. Those entrepreneurial attributes are essential in business.

The Intelligence Project delivers education and training to ex-offenders to help reintroduce them to life outside of prison. Through self-referrals and those from the government's Work Programme, Simon and his team assess an individual's social capital before assigning them with a mentor, who has had similar life experiences. The mentor then helps build a personal development plan, to help that person overcome issues such as housing or mental health, so they can become more self-sufficient.

More information

From April 2011 to May 2013 (inclusive) there have been:

- 54,410 starts with a New Enterprise Allowance business mentor
- 26,160 starts to the New Enterprise Allowance weekly allowance

The NEA, launched in April 2011, aims to help unemployed people who want to start their own business. NEA is available to Jobseeker's Allowance (JSA) claimants aged 18 and over.

Participants receive access to a volunteer business mentor who will provide them with guidance and support as they develop their business plan and

through the first 6 months of trading. Once participants have demonstrated they have a viable business proposition with the potential for growth in the future, they are able to access financial support.

This consists of:

- a weekly allowance worth £1,274 over 26 weeks, paid at £65 a week for the first 13 weeks and £33 a week for a further 13 weeks
- if they need start-up capital, they may also be able to access a loan up to £1,000 to help with their start-up costs

The total package of support is worth up to £2,274 to each participant who starts their own business.

Visit the [New Enterprise Allowance scheme](#) webpage for full details.

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