



**CENTER for
RURAL POLICY
and DEVELOPMENT**

A joint project with:
**Northland Foundation
Northeast
Entrepreneur Fund**

October 2005

***The Entrepreneurial Campus Initiative:
Understanding the entrepreneurial orientation of students***

Introduction

The Entrepreneurial Campus Initiative (ECI) is a collaborative effort between the Northland Foundation, the Northeast Entrepreneur Fund and the Center for Rural Policy and Development. The purpose of the initiative is to explore and design new ways in which rural college campuses can be more engaged in entrepreneurship and business development in the host communities and regions in which they reside.

To that end, the ECI conducted an initial survey of current students in seven community and technical colleges in the northeast region of Minnesota to learn more about their work history, career aspirations, orientation toward entrepreneurship and their propensity stay in the northeast region of the state. Surveys were administered to students by faculty in both mid-morning and evening classes. The survey took 15 minutes to administer in the classroom, creating only a small disruption from normal activities. In all, 1,385 usable surveys were completed and make up the foundation of this report.

The colleges that participated in this study were Vermillion Community College, Hibbing Community College, Rainy River Community College, Mesabi Range Community & Technical College, Itasca Community College, Fond du Lac Tribal & Community College and Lake Superior College. Accordingly, this report will focus on the aggregate data across all seven campuses. However, when attempting to highlight deviations from the collective “norm” found on specific campuses, we will only be able to address six of the seven campuses, as we did not ascertain enough data from the Rainy River campus to make such comparisons within reasonable margins of error.

A PDF of this report can be downloaded from the Center’s web site at www.ruralmn.org.

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The Center for Rural Policy and Development, based in St. Peter, Minn., is a private, not-for-profit policy research organization dedicated to benefiting Minnesota by providing its policy makers with an unbiased evaluation of issues from a rural perspective.

About the Students

Overall, the majority of students (74%) fell into the traditional 18-24 age category for college students. Approximately 19 percent were between the ages of 25 and 40, with the remaining 7 percent of students over age 40. Of course, this varied significantly from campus to campus: Itasca and Vermillion Community Colleges had the largest percentage of 18- to 24-year-old students in the sample, while Fond du Lac and Lake Superior College had the lowest percentage of traditional students in the sample. As an interesting note, Fond du Lac was the only college with more non-traditional students in the sample than traditional students.

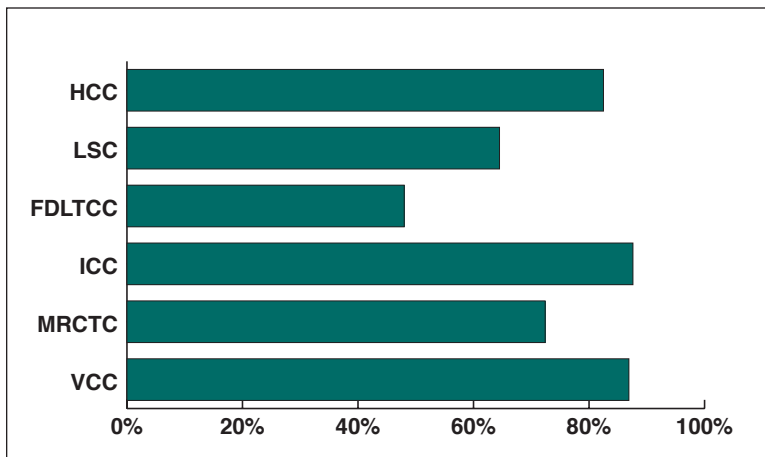
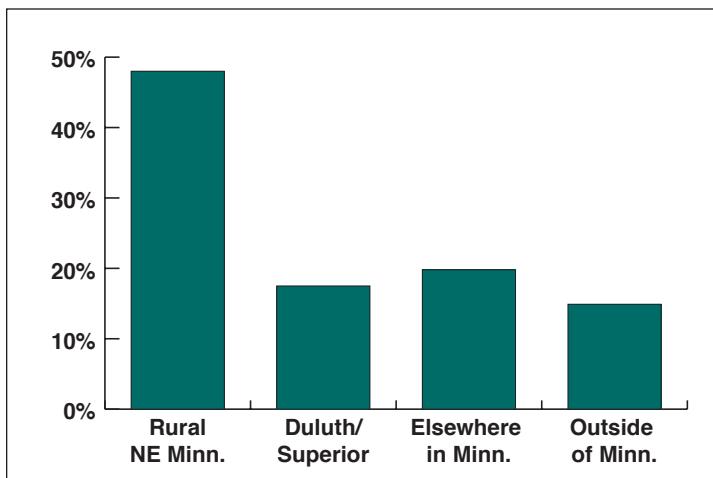


Chart 1: Percentage of full-time students in the survey sample.

Chart 2: Distribution of where students came from to attend northeast Minnesota colleges.



However, while one might think that such an age distribution may have an impact on whether students were full-time or part-time students, that did not appear to be the case. Overall, 88 percent of students reported being full-time students and that did not vary much across the colleges. Again, Fond du Lac reported having the lowest percentage of full-time students with 71 percent. So obviously, for a variety of reasons, we must view these results from the eyes of full-time students, regardless of their age.

While the students were all attending college in northeast Minnesota, they actually came from a somewhat more diverse set of communities.

When asked, approximately half (48%) reported that they came from the rural northeast Minnesota region and 17 percent reported coming from the Duluth/Superior metro area. Another 20 percent of students reported coming from somewhere else in Minnesota outside of the region and 15 percent reported coming from outside of Minnesota. The distribution of where students came from varied substantially across the colleges.

When looking at the individual colleges, we find that both Mesabi Range (82%) and Hibbing (73%) report the highest percentage of students from the rural northeast region, while Vermillion reported the lowest percentage of students from rural northeast Minnesota, at 25 percent. Not surprisingly, Lake Superior College and Fond du Lac reported the greatest percentage of students from the Duluth/Superior metro area at 49 percent and 39 percent respectively. Lastly, Vermillion Community College also reported the highest percentage of students who come from outside of Minnesota, at 32 percent.

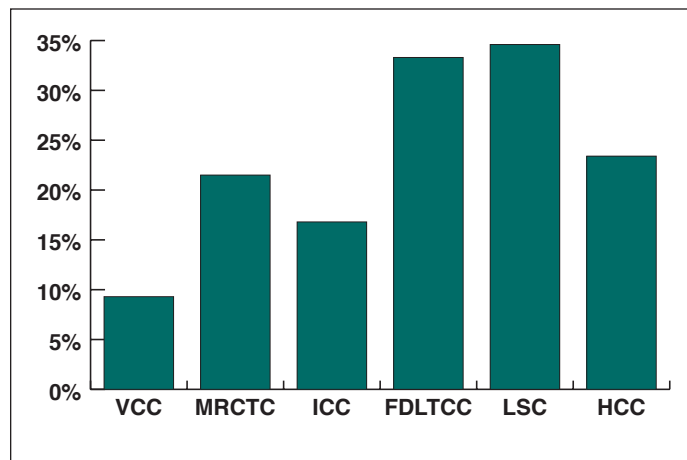
Work, Career and Aspirations

When asked about their work history, 23 percent of students reported that they were currently engaged in full-time employment

in addition to being a college student. The highest percentage of students reporting that they were holding down a full-time job while attending college was found at Lake Superior College (35%) and Fond du Lac (33%). On the other hand, the lowest percentage of students reporting being engaged in full-time employment was found at Vermillion Community College (9%). This finding is quite consistent with the image of VCC as being more of a residential college than its regional peer institutions.

We also asked students whether they held a full-time job prior to enrolling in college. To this question we found much less variation across the campuses, with approximately half of the students reporting that they had previously held a full-time job. Specifically, the highest percentage of students reporting that they held a full-time job prior to enrolling in college was at Fond du Lac, with 60 percent reporting yes. The lowest percentage was 40 percent at Mesabi Range; the rest of the schools clustered around the 50-percent mark.

Chart 3: Percentage of students reporting working full time while in school.



Students were also asked why they chose to go to college. While the answer to that question may seem quite obvious given today’s economy, students, in fact, reported a diversity of answers. Of course, the primary answer to this question was employment related, with 44 percent of the

students reporting that their motivation to go to school was either to prepare for a job, secure or advance in their existing job, or re-tool themselves for a career change. We were surprised, however, at the percentage of respondents who reported that they were attending college to further their education, or some such similar response tied to their own personal enrichment. It was not uncommon to find a response such as “I always wanted to do it.” Almost 42 percent of respondents reported a similar response. In fact, when asked if they plan on attending another college after graduation, a whopping 67 percent of the students reported that they did. Such responses are also reflected in questions asked about their field of study, where it was obvious that many students are hoping to receive an A.A. degree, or completing their general education credits for the purpose of transferring to another college after graduation.

It is also important to recognize that the percentage of respondents that reported that they attended college for personal enrichment or plan to attend another college after graduation was directly related to the age of the student. We noted that more than half of the students (56%) between the ages of 18 and 24 reported that they were in college for such reasons. However, that percentage steadily declined among those students of higher ages: 32 percent of the 25-40 year olds, 27 percent of the 41-55 year olds, and only 20 percent of those age 56 or older reported being in college for some type of personal enrichment.

Entrepreneurial Orientation

Students were asked a series of questions to assess their orientation toward entrepreneurship and self-employment. First and most obvious, students were asked if they had ever owned their own business or were otherwise self-employed prior to enrolling in school. We were quite surprised to find that 12.2 percent of the students surveyed reported that they had previously

Chart 4: Percentage of students reporting to have been previously self-employed or owned their own business.

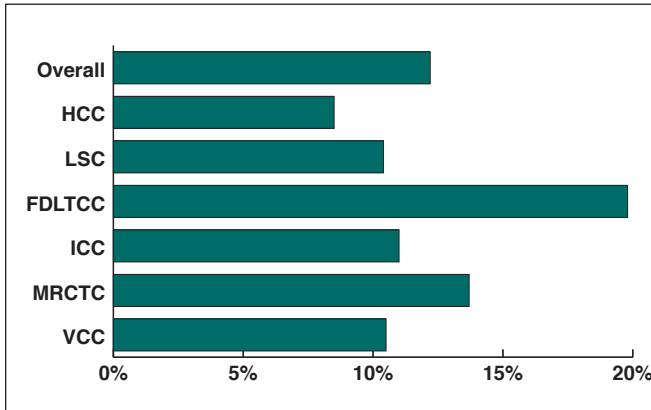
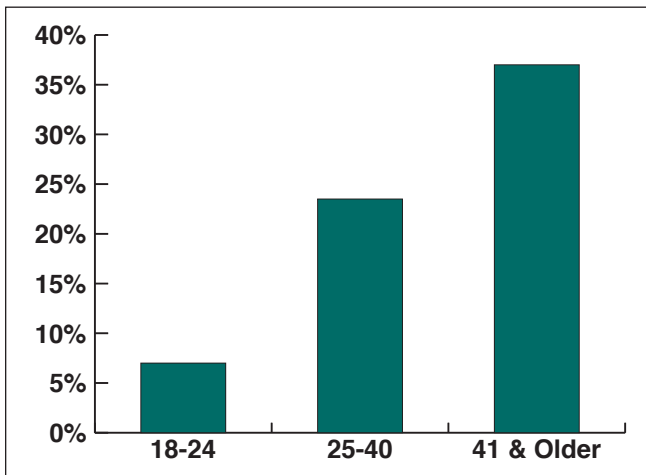


Chart 5: Percentage of students by age who have owned their own business or been self-employed.



owned their own business or were otherwise self-employed.

The percentage of students reporting previously having owned their own business varied somewhat across the colleges, with Fond du Lac reporting the highest percentage at 20 percent and Hibbing reporting the lowest at 8.5 percent. The chart below documents the percentages across the various colleges.

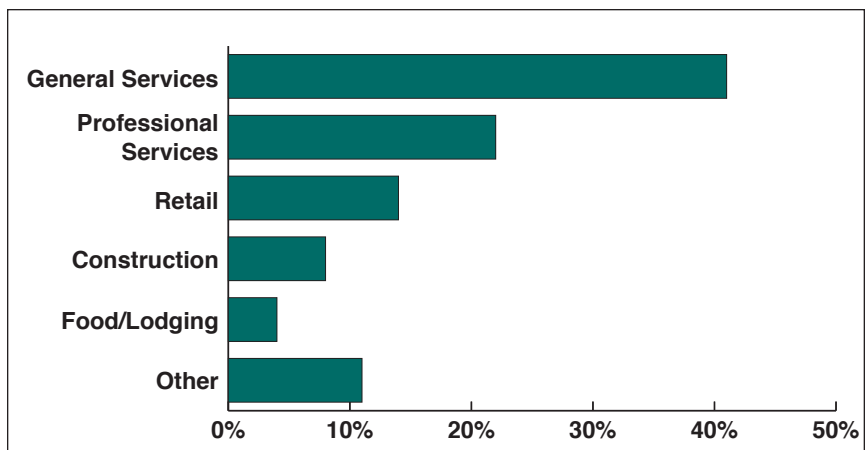
We also analyzed the percentage of students who reported having owned their own business by age categories. Not

surprisingly we found that the percentage of entrepreneurs increased with age, where only 7 percent of students 18-24 years of age reported having owned a business. Contrast that to 23.5 percent of students age 25-40 and 37 percent of students that were 41 years of age and older.

For those students who reported having previously owned a business, we asked what type of business or in what industry it was. In response to that question, the most common response was in the general services area (41%), which could include everything from lawn care services and disc jockey services to owning a dog kennel, delivery service or janitorial service. The second largest category was in the professional services area, which includes computer and technology consulting, owning a car repair shop, being a taxidermist, or other skilled occupation. Other responses included owning a retail store (14%) and being in the food and accommodations industry (4%).

We then asked all of the students about their family ties and specifically whether anyone in their immediate family ever owned a business. To this question we were quite surprised to find that 54 percent of students responded yes. Further, the variation in the response to this question across the campuses was actually quite modest, with the lowest percentage of positive responses being 48 percent (Mesabi Range) and the highest being 59 percent (Vermillion & Fond du Lac).

Chart 6: Type of industries the students were involved in.



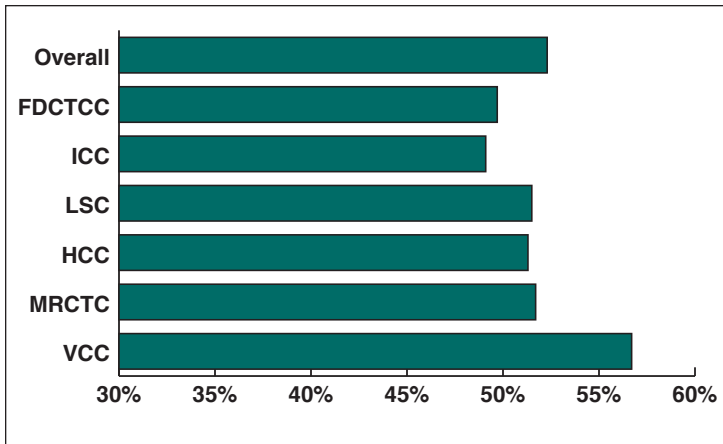


Chart 7: Percentage of students who have considered owning their own business after graduation.

Chart 8: Types of assistance in starting a business and the percentage of students considering it important.

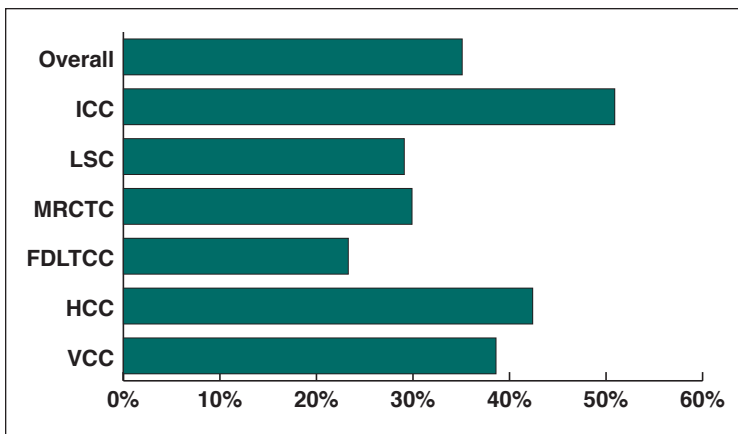
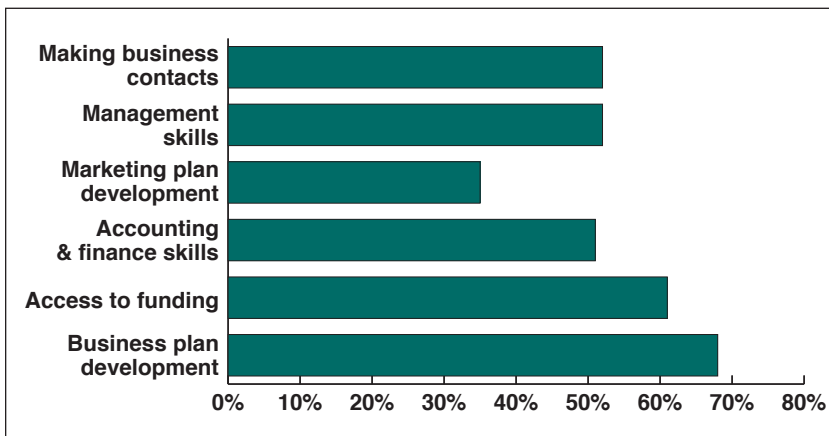


Chart 9: Percentage of students reporting they had taken classes that would assist them in starting a business later.

Finally, we asked all students the simple and direct question, “Have you considered owning your own business after graduation?” To this question a surprising 52 percent reported that they were considering their own business. Again, there was a modest amount of variation in response to this question across the campuses, with Itasca having the lowest percentage of positive responses at 49 percent and Vermillion having the highest at 57 percent.

Enterprise Development Assistance

For those students who either had previously owned a business, or those who reported that they were considering owning a business, we asked what specific type of assistance would they consider the most important to them. The most commonly cited responses were in the areas of assistance in developing a good business plan (68%) and assistance in accessing adequate funding or capital (61%). Other assistance noted was in the area of developing good accounting and financing skills (51%); learning good management skills (52%); and making good business contacts (52%). The area where students reported the least need for assistance was in developing a sound marketing plan (35%).

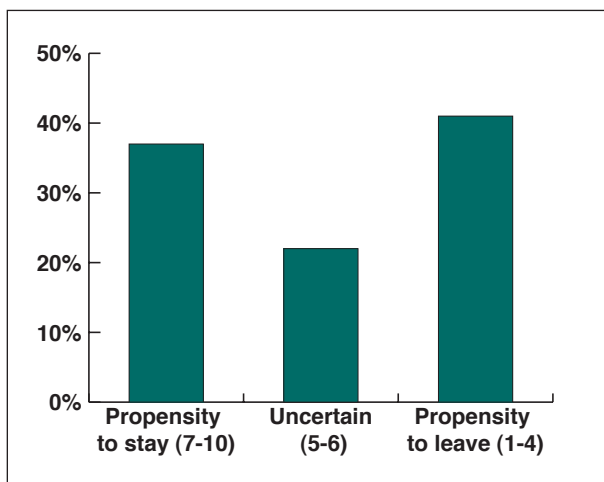
Finally, students were asked whether in their current studies if they had ever taken a class that might be useful in starting up or operating their own business. Interestingly, only 35 percent of the students surveyed said that had taken a class they thought would be helpful. However, the responses varied across the campuses with Itasca Community College

having the highest percentage of students who reported taking such a useful class at 51 percent, while students at Fond du Lac had the lowest percentage at 23 percent (Chart 9).

Propensity to Remain in the northeast Minnesota region

It is not uncommon among college students in both rural and urban environments to be quite mobile in their career paths after graduation. Some students leave the area following employment opportunities, while others leave

Chart 10: *Percentage of students showing a propensity to stay or leave.*



simply because they wish to explore new environments and see new sites. It was with this in mind that we asked the students about their orientation toward staying in northeast Minnesota after graduation. Specifically, we asked them, as they thought about life after graduation, how likely it was that they would stay in northeast Minnesota. To help them with their response, we provided them with a continuum from 1 to 10, where 1 meant they thought they would “Definitely Leave” the region, and 10 meant that they would “Definitely Stay.” According to this scheme then, the higher the number, the greater propensity to stay in northeast Minnesota. We found that the average score across all the students was 5.2 with a rather large standard deviation of 3.1.

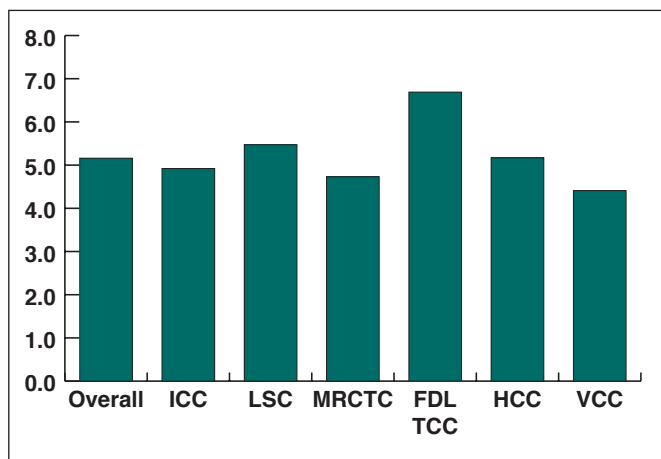
Perhaps an easier way to interpret this distribution curve is to categorize the 10-point scale into three categories, with responses 1-4 representing those students with a propensity to leave the region; 5-6 representing those students who do not necessarily express a propensity one way or the other; and 7-10 representing those students with a propensity to stay in the region. As chart 10 shows, 41 percent of students have a propensity to leave, 37 percent have a propensity to stay, and the remaining 22 percent do not express a propensity either way.

We then examined the mean score for a student’s propensity to stay in the region and compared it across a variety of factors. For example, recall that the mean score across the entire sample was 5.2. In chart 11 we have charted out the mean score for students from each of the campuses. Note that students at Fond du Lac, with a mean score of 6.7, report the highest propensity to stay in the region; while students at Vermillion, with a mean score of 4.4, express the lowest propensity to stay.

We also analyzed the students’ propensity to stay in the region across age categories. Not surprisingly, students within the traditional age of 18-24 were far less likely to express a propensity to stay in the region than those students who were older (Chart 12).

We also examined the students’ propensity to

Chart 11: *Students’ propensity to stay in northeast Minnesota by campus.*



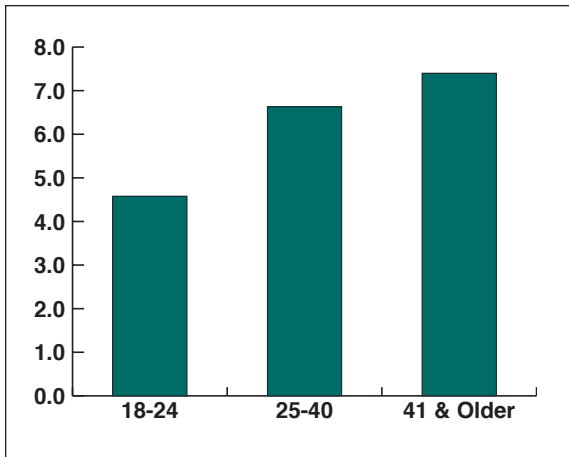


Chart 12: Students' propensity to stay based on age.

stay based upon where they reported their home town to be located, instead of where they chose to go to college. Table 1 below documents the results of this analysis.

Table 1. Propensity to stay in northeast Minnesota by hometown location

Hometown	Mean Score	Median Score
Rural NE Minnesota	5.67	5.77
Duluth Superior Metro	5.99	6.08
Elsewhere in Minnesota	4.57	4.38
Outside of Minnesota	3.23	1.88

In comparing this analysis to the previous analyses, it becomes clear that examining the students' hometown location as well as the location of the college they attend is quite important. Clearly, students attending college in northeast Minnesota that come from outside of Minnesota are far less likely to aspire to stay in the region. The same can be said for Minnesota natives that have hometown locations outside of the region.

Finally, we separated out those students that reported previously owning a business or those that expressed a desire to own a business to discern whether they have any greater or lesser propensity to stay in the region. However, the responses from these students, with a mean score of 5.1, are essentially identical to all the other students,

suggesting that having entrepreneurial experience or aspirations does not necessarily tie one to the region.

Summary & Conclusions

The primary purpose of the Entrepreneurial Campus Initiative is to explore and design new ways for rural college campuses to engage in entrepreneurship and business development in their host communities. With that in mind, our first step was to better understand the background, entrepreneurial orientation and the propensity to stay in the region among the students that attend these seven colleges in northeast Minnesota. The results from the 1,385 students in the sample suggest that the vast majority of them fall into the traditional age category of 18-24. While the percentage of "traditional" college students varied from campus to campus, we must recognize that the results must be viewed mostly through the eyes of full-time college students.

With that said, it was absolutely surprising that 12.2 percent of the students reported that they had previously owned a business or were otherwise self-employed prior to entering college. This percentage varied somewhat by campus, with the highest percentage of approximately 20 percent being reported at Fond du Lac Tribal & Community College. However, it was equally clear that this percentage was strongly correlating with the age of the students; as Fond du Lac had the highest percentage of older than average students as well, it provided some validity to the results.

Equally important was the finding that a very substantial percentage of students across all the colleges have considered owning a business after graduation. Overall, approximately half of the students reported having such an interest, while the percentages from each campus varied between 49 and 58 percent. Clearly, such a substantial percentage suggests that there is potential demand and ample opportunity for campuses to begin to explore how they can further assist their students in expressing their entrepreneurship. In addition,

the findings further suggest that assistance in areas such as business planning, access to capital and assisting students in making business contacts would be a valuable place to start.

Yet in spite of this opportunity, it appears that for a majority of students, they do not perceive their existing college curriculum as being that helpful in pursuit of their entrepreneurial desires. For example, when specifically asked if they had taken any classes while they were in college that they perceive might be helpful in starting or operating a business, 65 percent of the students responded “no.” Such findings should assist campus executives in rethinking how they address their response to graduating students.

By that we mean that the most common service to graduating students is facilitated through career placement offices, where staff assist graduating students to better understand their employment opportunities. However, there is often little or no thoughtful institutional response for students that do not wish to seek employment, but rather, desire to express their entrepreneurship. Given the findings that approximately half of the students in our sample reported considering such a direction, we are hopeful that campus administrators use this information to consider an appropriate institutional response.

We also attempted to tap the students’ general orientation and propensity to stay in northeastern Minnesota after graduation. Using a scale from 1 to 10, we found that across all of the students, there was a significant propensity to leave the region after graduation, with 41 percent leaning toward leaving and 37 percent leaning toward staying. However, further analysis of this data suggested that ones’ propensity to stay was highly correlated with ones’ age, as well as where ones’ hometown was located. Such a finding should not be at all be surprising.

Clearly age is a significant factor, with students who were 40 years of age or older being 60 percent more likely to report having a propensity to stay than students who were 24 years of age or

younger. So it is no surprise that those campuses that report having the highest percentage of students of traditional age (18-24) also reporting students with a higher propensity to leave the region after graduation.

Again not surprisingly, we also found that students that not only go to college in the region, but were raised in the region had a higher propensity to stay. Clearly those students who reported their hometowns in rural northeast Minnesota or the Duluth/Superior metro were much more likely to report a higher propensity to stay in the region than those students who reported having hometowns located elsewhere in Minnesota. And following that trend, it was not surprising to find that students who reported their hometown to be outside of Minnesota reported the lowest propensity to stay in the region after graduation. So while the aggregate number may not suggest that an overwhelming percentage of students are planning to stay in the region after graduation, the data does provide information on those students who clearly have the greatest interest in staying.

Lastly, we were surprised to find that when we partitioned the data between those who expressed an interest in starting a business and those who did not, we did not see any substantial difference in their reported propensity to stay or leave the region after graduation. Simply put, those students that are somewhat oriented toward or at least interested in starting a business do not appear to be any more or any less tied to the region of northeast Minnesota. This might suggest that their interest in starting a business transcends their regional orientation and subsequently, if they do not express their entrepreneurship in northeast Minnesota, they may just as likely express it somewhere else.

One might suggest, however, that if this expression of entrepreneurship can be nurtured and facilitated while they are in college in northeast Minnesota, they may just as likely develop their business within the region.