

# The cost of dreaming crisis : New research from Mastercard puts light on some of the biggest challenges faced by entrepreneurs

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“When there is a will, there is a way”.

Or is there?

It has often been stated that everything is possible to the one who puts their mind to it. Determination, hope, and resilience are part of what makes us unique. Our eternal desire to find fulfilment and happiness constantly needs to be quenched.

But despite the best intentions, many obstacles can get in the way of dreams, and will tend to make dreamers lose hope, self-confidence, and will to succeed.

Dreamers, entrepreneurs, often have to deal with rising costs and lack of understanding of the latest technology. These barriers can quickly undermine

their goals.

This is where Strive UK, an initiative of the Mastercard Center for Inclusive Growth, steps in.

## The cost of dreaming crisis

Small businesses in the UK are embracing AI and prioritising sustainability but are being held back by rising costs and a lack of understanding of the latest technology, new research from Mastercard shows.

Half of small business owners say ensuring that their business is sustainable is a priority, rising to 70% among younger business owners (18-34yo). But more than half (56%) say that rising costs are making it more difficult to meet sustainability goals.

With small and medium-sized businesses making up 99.9% of the UK business population, the findings cast serious doubt on the UK's ability to meet its net zero goals unless this knowledge gap is addressed and additional support is offered.

*“A fundamental part of the UK’s business population is being underestimated: micro and small businesses. They provide three fifths of the nation’s jobs and account for half the turnover in the private sector. Combined, they have huge clout and it’s brilliant that so many are committed to sustainability. But this counts for nothing if they aren’t supported to achieve their net zero goals.”*  
*says Mary Portas, Retail expert and chair of the Better Business Act.*

Two-thirds of small businesses say they already use technology to reduce their environmental footprint, including to decrease their reliance on paper documents, but half (48%) cite cost as a barrier to using technology more frequently.

## Small businesses embrace generative AI, but skimp on cybersecurity

A tenth of the UK's small businesses are already using generative AI, and 31% say they're likely to increase their use of technology like this in future. However, some are concerned that AI could reduce the need for businesses like theirs in the future, and a third say they are simply not able to keep pace with tech developments.

Small businesses say they need more support to unlock the benefits of technology like AI, with two in five (40%) wanting to use more digital tools in their business, but admit they don't know which ones are best.

Worryingly, only 26% of small businesses say they've invested in cybersecurity software, leaving many open to potential attack by criminals.

## More than half of young entrepreneurs say running a business has affected their mental health

Younger entrepreneurs are most likely to report poor mental health linked to running a business, with more than half of 18-34-year-old saying the stress of running a business over the past 18 months has negatively impacted their mental health, compared to 30% across all age groups.

Despite this, small businesses overall are feeling more optimistic compared to a year ago. The number of small business owners who've never felt more negative about their business' future has decreased from one in four in 2022, to one in five in 2023.

But how, as a society, can we help these optimistic, young entrepreneurs finance their dreams? Mastercard has got the answer.

# Strive to achieve your dreams

Mastercard is supporting small businesses with the help it needs to drive the economy and thrive in a changing world, delivering digital tools and training from the experts.

*“Through our Strive UK programme, we’re connecting small businesses to experts and advisers who can help them grow, build resilience and tackle some of the biggest challenges head-on.”*  
*comments Kelly Devine, Division President, UK & Ireland at Mastercard*

Strive UK provides entrepreneurs with a plethora of different services:

Tackling macro issues for micro business

As small businesses plan for post-pandemic growth, Strive UK brings digital expertise and support from the biggest hitters in business to help entrepreneurs achieve their ambitions.

Supporting small businesses to thrive

The initiative is building an inclusive economy by levelling the digital playing field. Strive UK provides direct support and individual advice, helping small businesses from start-ups to stall holders thrive.

Building a community for lasting impact

They are also addressing the imbalance with focused support where it’s needed most. Expert digital training with an inclusive approach means Strive

UK develops community cohesion for the drivers of the economy.

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