

Entrepreneurship, no longer just a young person's game

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Mention the terms “entrepreneur” and “start-up” and one typically thinks of Millennials—young people filled with passion, optimism and confidence populating the technology hubs of the Bay Area, Seattle, Austin, Chicago, Raleigh, Boston and Miami. However, this widespread stereotype has obscured a felicitous “demographic dividend”—namely individuals in their 40s, 50s, and even 60s have the interest and ability to launch new ventures or contribute to the expansion of existing ones.

Actually, this should not be surprising. When social security was launched in August 1935, the average lifespan was 56. Since payments kicked in only at age 62, the federal government offered a benefit that most Americans would not live to enjoy. Fast forward to the 2020s when the mortality rate jumped *20 years* to 76, with more Americans living into their mid-to late 80s and 90s. Add to that the fact that a growing number of this same demographic does not regard retirement as merely playing cards and golf, going out for an early bird dinner, watching TV, napping and waiting for the grim reaper. They choose to be *productive* and contribute to society. Some choose to do volunteer work while an increasing number of others want to work in business.

The widely held perception of entrepreneurship as a young person's endeavor is incorrect. According to the Global Entrepreneurship Monitor (GEM), a worldwide assessment of entrepreneurial activity, 16% of the world's population is 55 or older; therefore, issues of entrepreneurial activity among seniors impacts more than 1.2 billion worldwide. In the U.S. more than half of all US small business owners are 50 or older. In fact, 18% of adults between the ages of 50 and 64 and 13% between the ages of 65 and 80 are self-employed compared to just 11% of adults between the ages of 18 and 29.

For the past twenty years, adults aged 50 and older in the US are starting new businesses at an accelerating rate, with Florida, Texas, and California the prime locales. (The three top sectors older entrepreneurs go into are business services, food/restaurant and health/beauty/fitness, followed by general retail and automotive). According to the Kauffman Index of Startup Activity, adults in the 55 to 64 age group account for the fastest growing demographic for new business creation, and the trend shows no sign of slowing.

So, what motivates older individuals to launch, purchase or expand a business in late life? There are many reasons, both financial and psychological. According to survey research by Guidant Financial, many individuals start a business because they want to be their own boss (60.87%) while many others express dissatisfaction with corporate America (47.64%). Further research reveals that many business owners are motivated by the opportunity to pursue their passion (31.00%), and a significant number state they are motivated by an opportunity that simply presents itself (21.36%) or because they are newly unemployed (23.44%). (GEM divides entrepreneurs into two categories: opportunity entrepreneurs and necessity entrepreneurs. Examples of the latter, for the most part, are refugees from countries such as Cuba, Venezuela, Nicaragua, Syria, and Afghanistan.

Demographically, many Gen Xers and older Millennials leave the corporate world because they find it stultifying, impersonal, bureaucratic, overly conservative managerially and limited in terms of advancement. Others depart to take over the family business due to the founder's intent to retire or due to major problems confronting the enterprise. Many family-owned South Florida businesses such as Southern Glazer's Wine and Spirits, Heico, the Valls Group, Range Funeral Home, and Florida East Coast Realty are entrepreneurial enterprises run by seniors or "seniors-in-waiting" (the next generation).

Since technology encompasses a central feature of so many start-ups, wouldn't this create a major impediment for seniors who seek to launch a new business? Not necessarily, since older Gen Xers grew up with computers, and their continued fascination and facility with technology opens many possibilities for them in launching businesses that are technology-based. (And in one generation, they will be "computer savvy seniors"!)

A logical question that follows is: how are senior-launched and managed enterprises faring? Data reveal that five years after opening shop, 70% of ventures established by senior entrepreneurs are still in operation, compared to 28% of enterprises established by younger entrepreneurs. And it is not surprising that elderly entrepreneurs report much higher levels of satisfaction with both their life and their job compared to elderly routine employees.

All indications are that in the future older individuals will be engaged in entrepreneurial pursuits in greater numbers. They clearly have key advantages to starting a business later in life, including a larger network of connections, decades of professional experience, and oftentimes more savings and assets to help support their entrepreneurial goals. Older entrepreneurs have not only a sixth sense but real experience for what may work and what may not. They have maturity; knowledge about life, in general; wisdom; and the ability to handle setbacks and failure.

In short, one is never too old to launch a business, buy into one, or turn around an existing one. Admittedly, life is short but not so short that one cannot embark on new adventures—entrepreneurial seniors are living proof.

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