

Small Business Research Centre

Kingston University London

(Work)life after work?: Older Entrepreneurship in London – Motivations and Barriers

Ewald Kibler
Thomas Wainwright
Teemu Kautonen
Robert A Blackburn

Small Business Research Centre
Kingston University
Kingston Hill
Surrey KT2 7LB

t.wainwright@kingston.ac.uk

ewald.kibler@utu.fi

teemu.kautonen@utu.fi

r.blackburn@kingston.ac.uk

Tel: +44(0)20 8417 5162

Fax: +44(0)20 8417 5140

<http://business.kingston.ac.uk/sbrc>

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AUTHORS

Ewald Kibler is a Research Associate at the School of Economics in the University of Turku, Finland. He also holds a Visiting Researcher position in the Small Business Research Centre, Kingston University, London. His current research focuses on the entrepreneurial intentions and new firm formation in different institutional and geographical contexts, particularly regarding (potential) older entrepreneurs.

Thomas Wainwright is a Postdoctoral Researcher at the Small Business Research Centre, Kingston University, London. Tom completed his doctoral thesis in 2009 at the University of Nottingham which examined contemporary retail banking and consumption. His research has examined the role of finance and its link to pensions, consumers, business and work. Tom is particularly interested in the social and financial debates that affect older workers, and he is particularly interested in how society views and interacts with older workers, and changing models of retirement.

Teemu Kautonen is a Research Fellow of the Academy of Finland based in the School of Economics of the University of Turku (Finland). He has held previous positions at the Universities of Vaasa (Finland), Newcastle upon Tyne (UK) and Wuppertal (Germany). Teemu's principal research areas include entrepreneurship and business economics, on which he has published numerous peer-reviewed articles. His principal current research project focuses on entrepreneurship at older ages.

Robert Blackburn is Director of Research, Faculty of Business and Law; Director of the Small Business Research Centre, Kingston University; and Editor-in-Chief of the *International Small Business Journal*. He is interested in sociological and economic analyses of entrepreneurship and small firms. He has undertaken research for private and public sector organizations; and numerous governments across the world. His latest research involves understanding the role of community organizations in developing small firms, the role of trust in external relations and public policy interventions. In 2011, Robert received the Queen's Award for Enterprise Promotion.

I. SUMMARY

- Governments, policy analysts and academics have highlighted the challenges that are emerging from ageing populations in developed economies. These include fiscal problems arising from an increase in the dependency ratio of the population and the rising social costs for healthcare and welfare of older individuals.
- Given this context, it is widely acknowledged that fundamental changes will have to be made within policy and society to help accommodate this demographic change. Whilst the British government has begun to seek to increase the working age of older individuals, it has been suggested that despite an ageing population, people may be unwilling, or unable to continue employment into their later years.
- Despite recognition of the challenges that emerge from an ageing population, limited research exists with regard to older entrepreneurship: that is people aged 50 or above, who seek to start and run their own business. Business ownership has, however, become increasingly popular as a means of employment in the past 30 years, as new markets have opened up, technological breakthroughs have facilitated lower economies of scale and new market opportunities. The capabilities of the labour-force have also improved and the means of advice and support for business ownership has become more sophisticated.
- Within this context, *a priori*, older entrepreneurship has the potential to act as a vehicle to help manage the challenges and pressures that the economy and society face. Older entrepreneurship may also help to meet the financial and social needs of the older individuals, providing them with the potential to balance their needs and preferences for continued working and retirement.
- Whether or not people of an older age want and are able to start and run their own business is, however, relatively unexplored. Hence, the central aim of this research is to understand the motivations of 22 people who have started their business aged 50 or above and the barriers that they face in doing so.
- The research found that there are a series of motivations that can trigger an individual into older entrepreneurship. These can be financial - to increase the pensionable income in retirement and to maintain a lifestyle to which they are used to. However, older entrepreneurship has also been viewed as a way of overcoming perceived ageism within formal employment structures.

- The results found that older entrepreneurship has the capacity to provide work-flexibility, enabling them to undertake other duties. This includes care for elderly relatives or partners, but also the care of grandchildren, and other voluntary work. This ability to strike a balance between work and other duties is an important motivation for older workers running their own business.
- Engaging in older entrepreneurship was also found to be attractive in that it can provide an opportunity to pursue their own personal interests, making work, 'beyond retirement' more enjoyable, whilst also contributing to their identity.
- However, the results also suggest that there are a series of deterrents and barriers to undertaking older entrepreneurship. These include perceived and 'real' barriers as experienced by respondents. These barriers appear to affect people in different ways, with particular barriers for women, those who have been unable to amass a pool of financial resources and savings, and those that have limited social capital. Social stigmatisation from friends, family and client networks, can also deter older people from venture formation.
- Social capital resources, that is the networks and business connections of individuals, had an impact on enterprise formation, particularly if individuals were moving into an unfamiliar sector, or if they had been out of work for a period of time. On the other hand, individuals that used existing social capital gained from a previous job, had fewer difficulties in starting and running their enterprise.
- The financial requirements for business start-up varied according to business sector. Those who had moved from professional jobs and started their own professional service, for example, experienced fewer barriers to entry, as they had minimal start-up costs. In contrast, entrepreneurs that were engaged in producing products for sale often experienced higher barriers, associated with acquiring business premises, materials and equipment
- Individuals with substantial care responsibilities, such as for older parents, found it difficult to manage the formation of an enterprise. The study found that women disproportionately were expected to manage care duties.
- The importance of advice and support systems for older entrepreneurs varied between different groups. As expected, older people with some prior experience of running a business were more familiar with issues in business formation, and were less likely to seek advice, relying on previous knowledge. In contrast, novice older individuals relied on more diverse sources of advice, including business

networks and mentoring, the latter of which provided confidence in addition to information.

- Interestingly, older entrepreneurs were not concerned with a lack of information, but experienced an overload of information from various sources. They especially struggled with new business concepts, contemporary business language discourse and terminology.
- The results of the study suggest that older entrepreneurs raise the need for a personal, experienced mentor, who can – practically and emotionally – support them in creating and operating their new business. However, most of the older entrepreneurs, with different social backgrounds, underline the difficulty of finding a suitable mentor, particularly as they expect a mentor to be more mature and experienced than themselves, and have an empathy with their work-life and business idea.
- There are various sources of advice sought by older entrepreneurs in the early stages of a venture, both formal and informal. Older individuals, starting a new venture, who had been employed in larger organisations, or public sector organisations, were more likely to seek help, compared with people who had previous experience of managing their own business. Individuals closer to the age of 50 years, also sought more ‘mainstream’ small business advice.
- The research suggests that those in older entrepreneurship should not be viewed as a homogenous group. The diversity of their backgrounds and circumstances affect individuals differently. Policy-makers and support agencies need to tailor their information and advice to meet the needs of different groups – a ‘one size-fits all’ approach will be inappropriate.
- From a research perspective, the report shows that there are gaps in the evidence base and that more detailed research is needed to understand the motivations and barriers to older entrepreneurship further. In particular, research is needed on the social and institutional environments of older workers and their effects on entrepreneurial motivations. Moreover, research on individuals that considered starting a business but abandoned their intentions may provide further evidence on the barriers that older entrepreneurs face. This group has not been examined by this research.

II. INTRODUCTION

The current demographic trend towards ageing populations in developed economies has led to an increasing interest by governments and researchers to investigate older workers and the longevity of their working careers. Recently, this interest has extended to older entrepreneurship, which refers to workers aged 50-plus starting in business (Curran and Blackburn 2001; Kautonen et al 2011). A number of lines of argument explain this recent surge of interest in older entrepreneurship.

One is the expectation that the number of older business founders is likely to increase in the future as a result of both 'pull' and 'push' factors. The 'pull' argument suggests that there will be growing numbers of (early) retirees with the experience, know-how and financial means for entrepreneurship who may wish to remain economically active. This may help them maintain a lifestyle or provide a flexible alternative to working as an employee in an organisation (Zissimopoulos and Karoly 2007). The 'push' argument is based on the proposition that older employees are being 'pushed' from the traditional labour market by factors such as age discriminatory practices in recruitment, promotion and training, as well as a lack of attractive employment options (Porcellato et al 2010). In such cases, starting up in business may be the only alternative for mature individuals wishing to resume economic activity.

A second reason for the increasing topicality of older entrepreneurship is that the promotion of entrepreneurship in older age segments is a potentially attractive policy option. Governments have increasingly recognised the consequences of an ageing population, particularly in relation to putting fiscal pressure on the state (OECD 2006, 2011; PRIME 2010; Weber and Schaper 2004). This is based on the objective to prolong the working lives of older people, to reduce older-age unemployment, increase the social inclusion of older individuals (Kautonen et al 2008; 2011) and to a lesser extent, enhance the innovative capacity of the economy by employing the human and social capital of mature individuals through new innovative start-ups (Botham and Graves 2009).

The first major support initiative dedicated to helping older individuals set up a business is the UK-based Prince's Initiative for Mature Enterprise (PRIME). A recent study of their clientele, comprising older individuals who were seeking information on firm formation, identified that between 2008 to 2009 45% of those individuals had started a business (PRIME, 2010), while 41% of them had delayed the formation of their business and the remainder had rejected the idea of creating a business. London was significantly underperforming with a large percentage still considering / delaying starting a business as compared with other regions in the UK. This suggests that there are older individuals in the

UK who are motivated to form a business, but face serious barriers hindering them in transforming the idea into action.

This report provides further information on the motives that drive older individuals to seek self-employment and the barriers that face them based on original qualitative research. In particular, it reports the experiences and opinions voiced by 22 individuals who have started a business aged 50 or older in London.

The *three* key objectives of the report are:

1. To outline the motivations that influence older individuals into developing and running an enterprise in their older years
2. To identify the barriers that older individuals face in developing and running an enterprise
3. To examine the sources of advice that older individuals seek to facilitate running their business

2.1 Report Methodology

This report summarises the findings of research conducted by The Small Business Research Centre, Kingston University (UK) and the Turku School of Economics, Turku University, (Finland). The summary will draw upon data collected from 22 case studies of 'older entrepreneurs', using original empirical data that was collated through semi-structured interviews in London, between November 2010 and April 2011. These older entrepreneurs were aged 50 and above, and drawn from a sample of individuals held on the PRIME database. The interviews lasted between 45 minutes to 2 hours and were conducted in a way that provided each respondent with anonymity. An overview of the characteristics of the research participants is presented in the Appendix, Table 1. This summary also contains data from publically available reports and statistics, available through the media and government agencies, to support the study's findings within a wider context.

III. BACKGROUND TO OLDER ENTREPRENEURSHIP AND FUTURE CHALLENGES

The life expectancy of individuals in advanced economies has been steadily increasing, placing greater strain upon nation-states as the dependency ratio of the population increases (OECD 2006). Additional resources are required to support the needs of older individuals through a longer retirement, and policy-makers have highlighted how this will create new challenges for the economy and society. For example, substantial resources will be required to fund the support and health services required by a growing older population, whilst providing them with an adequate income in retirement. Furthermore, as the dependency ratio changes, there will be fewer people in employment to support older individuals, through a shrinking tax base.

One suggestion to overcome the challenges associated with ageing populations is to extend the working lives of individuals, something the British government has recently changed by increasing the age of the State Pensionable Age (SPA). The British Government calculated that could increase its annual GDP by £13bn, if the working life of all adults was increased by one year (BIS 2011:2). It has been suggested that the continuation of work into what was previously retirement, would reduce these pressures further.

However, there are a series of barriers to continued full-time employment including deteriorating health issues, care responsibilities and age discrimination (Porcellato et al 2010). The ability to extend working lives has attracted interest from policy-makers who have viewed the promotion of entrepreneurship to older workers, that has been viewed as a vehicle to address political, economic and social issues (Curran and Blackburn 2001; Weber and Schaper 2004; Kautonen et al 2008). Through older entrepreneurship, individuals aged 50 years and older can develop their own business to extend their working lives. Academics have suggested three advantages to older entrepreneurship (see Kibler et al 2011 for an overview) which overcome 3 key challenges:

- 1. Increasing dependency ratio:** The extension of older entrepreneurship could reduce the old age dependency ratio and decrease government expenditure.
- 2. Balancing human capital and responsibilities:** The considerable human capital possessed by older workers can be productively released into the economy, overcoming social exclusion, while balancing other responsibilities.

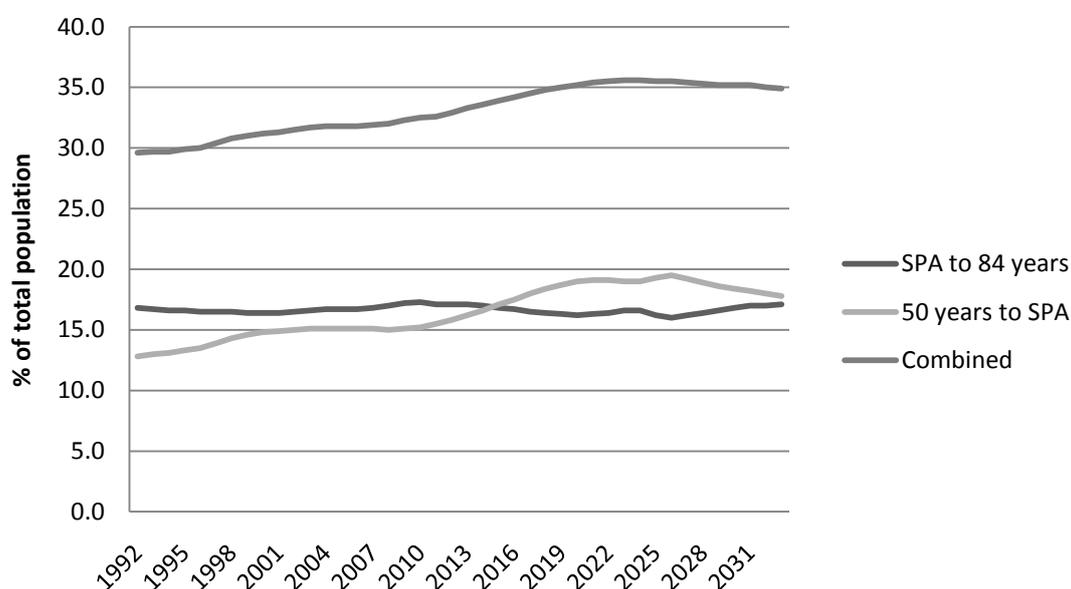
3. **Managing financial needs:** The development of enterprises may assist individuals without sufficient funds in their retirement.

The report will now turn to highlight these three key challenges in more depth, and how older entrepreneurship can address them.

3.1 Increasing dependency ratio

As highlighted earlier, the growth of ageing populations is growing faster than working cohorts of society. Life expectancy has reached its highest level in the UK, 77.7 years at birth for males and 81.9 years at birth for females (ONS 2010). Mortality rates have declined substantially and fertility rates have decreased below the replacement birth rate, creating an increasingly ageing population, especially by people born during the 1960s ‘baby boom’ that are getting closer to retirement age (Dini and Goldring 2008). There is little evidence to suggest that this trend will be reversed as improved medical care living standards and nutrition further add to longevity. The ONS estimates that by 2034, individuals aged 65 and over will account for 23% of the population, whereas 18% of the population will be aged 16 or below. An examination of the increasing cohort of people aged 50 years, up to state pensionable age (SPA), suggests that a greater number of people could participate in older entrepreneurship in the future (see Figure 1).

Figure 1: % Age cohort change over time

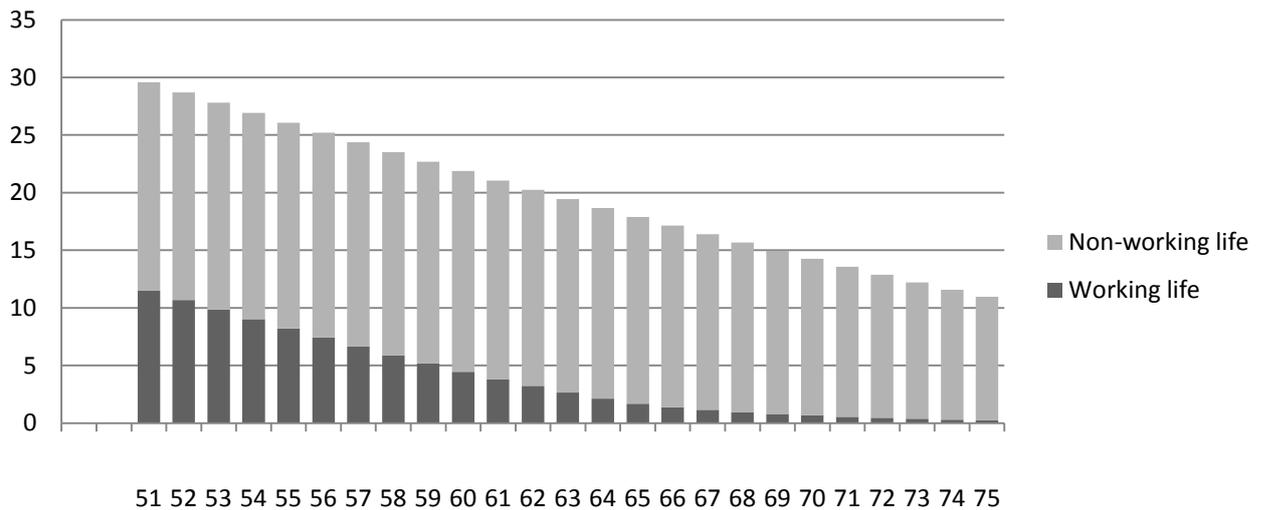


Source: ONS 2010

Arguably, entrepreneurship amongst older people enables individuals to remain within the workforce for longer, alleviating fiscal pressures, and providing them with opportunities to continue earning an income. The British Government removed the Default Retirement Age

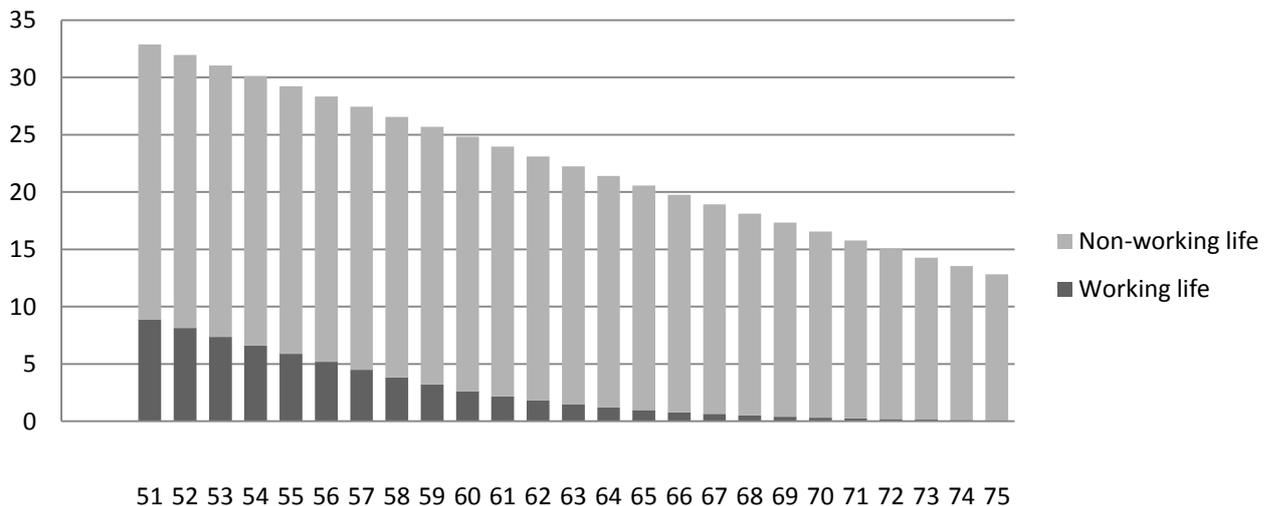
(DRA) from legislation in 2011, so that workers aged 65 and over could not be automatically retired based on their age. By enabling older workers to work longer through older entrepreneurship, it reduces the dependency ratio by extending working lives (BIS 2011). This would involve extending the working life expectancy for men and women, shown in Figures 2 and 3 below. However, the flexibility of older entrepreneurship would enable individuals to work longer, part-time, enabling them to still enjoy retirement.

Figure 2: Working and non-working life expectancy for men (years)



Source: ONS 2009

Figure 3: Working and non-working life expectancy for women (years)



Source: ONS 2009

Recent research by the ONS highlighted that in 1971 there were 3.6 people of working age for every people of state-pensionable age: this had fallen to 3.2 in 2009. If the SPA age had

not recently been increased, this ratio would drop to 2.2 by 2034 (ONS 2010). This is particularly important, as the OECD (2006) has highlighted how this reduced ratio develops increased fiscal pressures, where national tax bases shrink. This could be managed by older entrepreneurship.

3.2 Balancing human capital and responsibilities

It has been suggested that older entrepreneurship enables older people to maintain a work-life balance, where they are able to adjust that balance to meet additional demands. Research has suggested that older workers often have to care for older, sick relatives, a responsibility that often falls upon women (Walker et al 2007) and to provide childcare. A recent study by the NHS (2010:7) noted that 15% of households contain a carer and that most carers are likely to be aged 45-64 (42%) which falls within the older entrepreneurship category. It is suggested that older entrepreneurship will become more important, as the 'oldest old', aged 85 years and above are growing (Dini and Goldring 2008) as a cohort, and will require more care from family members, where older entrepreneurship may provide the flexibility for people to care for older relatives.

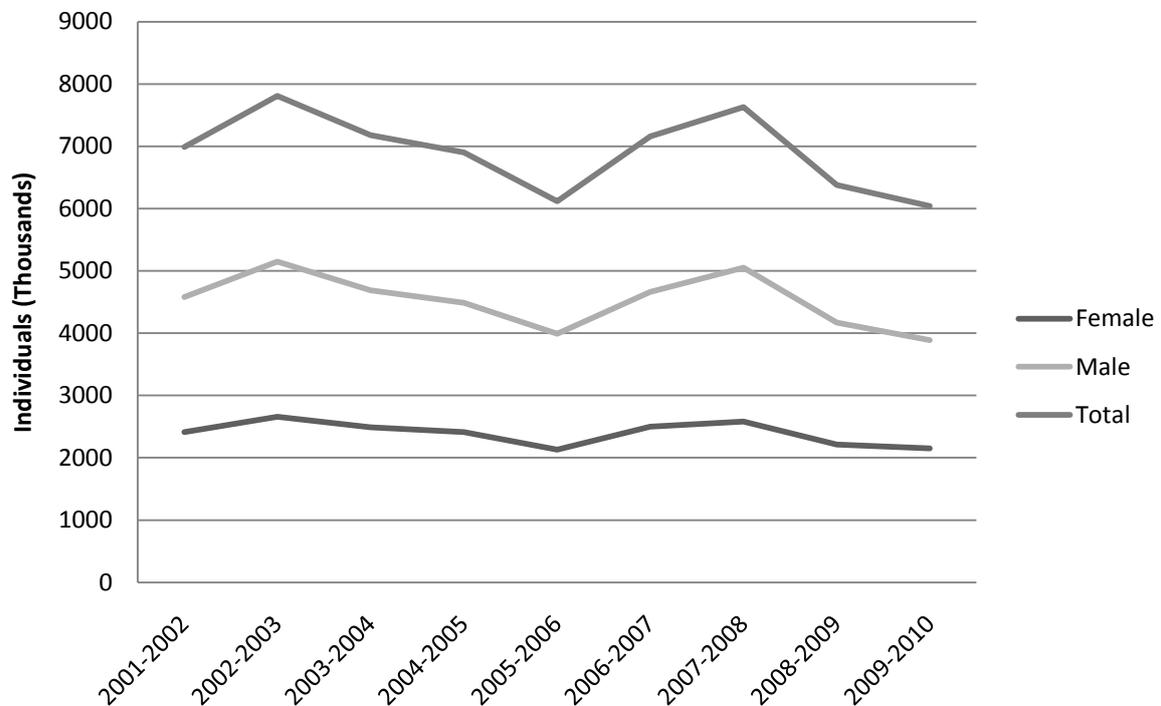
This issue has been reflected in the research conducted by the NHS, which revealed how flexibility of working hours was important to gaining work for carers. Carers were most likely to be looking after a parent (33%) or partner (26%) making them a close family member, whilst 50% of the people gaining support were aged 75 years old or above (NHS 2010: 10). Older entrepreneurship may have the advantage of providing people with the flexibility to manage the care needs of older relatives, an issue that will arguably grow in the future. This care is also gendered, where 60% of carers are women, placing a particular burden on their time, making older entrepreneurship a more viable tool for undertaking paid work, but as will be discussed later, create a particular series of gendered barriers.

3.3 Managing financial needs

Research has drawn attention to the deteriorating savings and provisions made for retirement in the UK. Many corporations are reducing their provision of generous final salary schemes which may see people struggle financially in retirement (Langley 2006). NAPF (2010) have suggested that up to 12 million people have not made adequate provisions for retirement. The reduced value of financial investments in the global financial crisis has further reduced the value of savings and investments for retirement, undermining people's ability to adequately fund their retirement. It has been suggested that older entrepreneurship can provide people with an additional income in retirement that is flexible. This is important as Figure 4 shows that there will be a slow deterioration in the number of people contributing to personal pension schemes. As more generous financial schemes are closed, it could be expected that more personal pension plans have been

opened over time. However, the number of people contributing to personal pensions is also slowly decreasing.

Figure 4: Personal Pension Contributors by Age



Source: ONS 2011

Figure 4 demonstrates how the numbers of women contributing to personal pension schemes are lower than men. This implies that they will have greater difficulties in accessing adequate savings in retirement, making the option of older entrepreneurship more important to women. The ability to maintain an adequate income in retirement, or delaying retirement, or managing retirement and work through a work-retirement balance may be made possible through older entrepreneurship.

3.4 The need for further research

Given this context, there is, surprisingly, only a limited body of research on older entrepreneurship. What does exist, however, tends to be quantitative and cross-sectional in nature: counting and identifying the characteristics of older entrepreneurs (Kautonen et. al. 2008; Kautonen et al 2011). This report will turn to summarise the in-depth findings of a new study of older entrepreneurs' motivations, barriers and sources of advice drawing upon qualitative evidence from 22 interviews with older entrepreneurs.

IV. MOTIVATIONS TO OLDER ENTREPRENEURSHIP: NEW EVIDENCE

Older entrepreneurs decide to develop their own business having been driven by a series of motivational factors. These factors are diverse and affect different individuals based on their own personal circumstances and the contextual environment within which they exist. The limited academic literature has noted how the specific prospects of flexibility and independence draw people into older entrepreneurship (Weber and Shaper 2004) whilst remaining active (Kautonen et al 2008) and overcoming unemployment (Hinz and Jungbauer-Gans 1999). As individuals age, their views and values may change, and dissatisfaction with employed work has also been identified as a motivation for embarking on older entrepreneurship (McClelland et al 2005).

This in-depth study sought to explore the motivations of older entrepreneurs in starting their own business in detail. It reveals that there are a series of motivations underpinning their choice of starting a business at an older age. The respondents viewed older entrepreneurship as a vehicle which fulfilled several needs, spurred on by multiple, entangled motivations. However, for the purposes of analysis and as a basis for subsequent discussion, these motivations are categorised into three broad areas: financial motivations; work-life balance (personal); work-life balance (social).

4.1 Financial motivations

The financial motivations which emerged from the research can be contextualised within two different phases of older entrepreneur's lifecycles: before and after the state pensionable age (SPA). This age point is considered crucial in that it sets the broader parameters in which older people operate and may be important in the business entry decision of older people. Here we set out these motivations based on an analysis of the fieldwork results.

4.1.1 Pre-SPA

- *Business as usual:* For older entrepreneurs below the SPA, or around the lower age of older entrepreneurship (e.g. 50 years), individuals often chose to become self-employed to derive an income. While this is similar to mainstream entrepreneurship, it was suggested that ageism created difficulties entering employment, and older entrepreneurship overcame this issue.
- *Planning for the future:* Nascent older entrepreneurs had also begun to explore and experiment with running an enterprise part-time while maintaining a current job, or had transferred completely into older self-employment, to develop it as an income

vehicle, prior to moving into their 'retirement' age, where they intended to keep working.

4.1.2 Post-SPA

- *Delaying retirement:* Some older entrepreneurs aim to work for as long as possible to continue to accumulate wealth beyond the SPA, or a time when private pensions can be accessed. Some older entrepreneurs intend to work for as long as possible to continue to derive an income, using older entrepreneurship to extend their work-life beyond the SPA to continue earnings.
- *Towards a work-retirement balance:* Some individuals who we interviewed did not believe that the state-pension, or their own private pension provisions, would be sufficient to provide them with the standard of living that they desired. Subsequently, they sought to effectively remove the boundary between work and retirement and to blur the two, where older entrepreneurship could continue to provide an income to augment their state and private pensions.

4.2 Work-life balance

Older entrepreneurship was widely recognised by respondents as an activity that could provide a balance between the work-life commitments. These motivations of a work-life balance were often central to the decision to begin working on the enterprise. Two sub-themes emerged within the 'work-life balance motivation: personal' where individuals seek to manage their time for their own personal activities, and 'work life balance: social', where they manage wider responsibilities.

4.2.1 Work-life balance: personal

The interviews found that the need to continue working into old age was important for personal reasons which complemented financial motives, or acted as motivations in their own right.

- *Identity:* It was viewed by some individuals that being active through work was part of their identity, as they found the experience and practice of their skills to be rewarding. Subsequently, they wanted to continue some form of work during their retirement to keep active, which can be flexibly accomplished through older entrepreneurship.
- *Retirement:* Whilst some individuals wanted to continue working, or needed additional funds, this could be achieved through paid employment. However, this

would remove an individuals' ability to engage in activities associated with retirement, including extra free time to pursue other activities, or to simply not work. It was believed that older entrepreneurship could provide a balance, where 'retirement' time could still be enjoyed.

- *Interests*: Older entrepreneurship enabled individuals to blur the boundary between work and their own interests and passions. Subsequently, entrepreneurship enabled them to engage in paid work, which was aligned or incorporated elements of a hobby or interest, making their enterprise seem less like work, which may be deemed arduous or unfulfilling.
- *The Business*: The challenge and prospect of developing and achieving a credible and sustainable business provided a motivation for older entrepreneurs, in itself, in addition to gaining independence from employers and as a way of gaining job satisfaction in later life. This was also important where individuals thought that their business could act as a vehicle to promote particular values which they believe in, for example the promotion of quality food.

4.2.2 Work-life balance: social

Older individuals sought to use entrepreneurship as a strategy to balance wider activities with work, and other responsibilities for which they undertook for family members.

- *Older generational care*: It was observed that older entrepreneurs developed their enterprise not only to enable them to work, but to provide them with the ability to manage the care of family members that were ill, or required care and support as they were elderly. This often included caring for parents of the entrepreneur, and where applicable, partners. The results found that women were often the chief carers – this was not a responsibility mentioned by any male respondents.
- *Younger generational care*: It was also noted how care and support was provided to adult children, especially fulfilling perceived responsibilities of looking after grandchildren, which could not necessarily be conducted with full-time employment.
- *Voluntary work*: Older workers were often engaged in voluntary work within the community and their involvement in older entrepreneurship provided them with the ability to contribute to voluntary activities in their communities.

V. BARRIERS TO FIRM FORMATION

It is widely acknowledged in the literature that entrepreneurial activities are embedded in multiple contexts that can – positively or negatively – impact on an individual’s entrepreneurial behaviour and firm formation process. Drawing upon a recent conceptualisation of the different external influences on entrepreneurship and self-employment (Welter 2011), this section of the report analyses the main external barriers which older entrepreneurs have faced along four different contexts:

- 1) society and government (‘institutional context’),
- 2) local (market) environment of London (‘spatial context’),
- 3) business networks and resources (‘business context’), and
- 4) social environment, such as family and friends (‘social context’).

In light of the different external influences that can set barriers to older entrepreneurs, we also consider – to a certain extent - the related internal, cognitive barriers (e.g., lack of confidence) as well as the strategies entrepreneurs used to overcome certain external and internal barriers.

5.1 Society and government

5.1.1 Society

- Unsurprisingly, many respondents suggested that business ownership at an older age is considered to be an activity that deviates from common understandings in society. They often believed that society has still the perception that older people should not be involved in new types of economic activity or employment.
- Perceived age discrimination within society occurred not only as an abstract barrier for the interviewed older entrepreneurs, but also a series of discrete external practices that can hinder their business activities.
- Practices of age discrimination were often overcome by older entrepreneurs adjusting their business activities to engage in work where physical appearance could not be mobilised by employers for discrimination – for instance through home-based self-employment, as a mobile secretary or consultant.
- Whilst an individual’s age was commonly viewed as an indirect business start-up barrier, the awareness of discriminating norms in society related to age was also

found be beneficial as older individuals were triggered to critically evaluate their business and views on business ownership.

- Subsequently, it is argued that the impact of age discrimination is complex, and that ageing and the practices of age discrimination can have differential effects on how individuals choose to enter business ownership.

5.1.2 Government

- While respondents believed that age discrimination regarding older entrepreneurship still exists in society, the older entrepreneurs feel that the government - mainly due to fiscal reasons - has slowly started to act against such discrimination and to increasingly support older individuals to engage in business activities.
- Even though there are several useful governmental bodies that can particularly assist older entrepreneurs, older entrepreneurs believe that governmental support, in terms of funding, is not available (also due the lack of well-communicated information), which in turn often has negatively affected and hindered the older entrepreneurs' business creation potential.
- The respondents often had mixed views and experiences of local authorities' understanding of housing benefits regarding business ownership. It was reported that authorities have in some cases treated the gross turnover of a business as if it was gross profit. This has been, and still is, a significant barrier in developing their enterprises, as it negatively affects individuals' rightful access to benefits.
- The increased responsibilities of employers for their employees in terms of flexible working hours and employment security, introduced by government legislation, has affected the growth of some businesses run by older entrepreneurs. The interviewees often reported that they would like to employ people, but the related risk and responsibilities prevented them from doing so.
- Some respondents suggested that an extra tax credit for business start-ups, along the line of the working tax credit, could serve as a basis to overcome financial barriers in the initial business phase.

5.2 Local (market) environment of London

- Due to the large number of people with various socio-demographic characteristics, the interviewed older entrepreneurs commonly perceived London as a market environment favourable to older entrepreneurship, providing a range of different accessible opportunities and resources to establish a business.
- Moreover, older entrepreneurs in London are often in conflict as they see the great potential of the London market for their business, but also face the tremendous living costs in London, which has often set strong barriers to establish and run their business and to gain a balanced work-life.
- Some of the respondents indicated that the larger number of similar businesses to their own can help them to develop their business network or to gain access to professional role models and examples. However, they also noted that the higher density of similar businesses, often established by younger entrepreneurs, increases the competitive environment in London, which in turn often affects their belief in their ability to successfully run their business.
- The nascent and early stage entrepreneurs that needed to build new networks struggled to identify (where to look for) the most appropriate and beneficial networks in the diverse and complex environment of London, which were applicable to their business and circumstances.
- For some older entrepreneurs London as a market does not play a major role when operating – more or less – a home- and internet-based business (e.g. research consultant), having customers in many parts of the UK.

5.3 Business networks and resources

5.3.1 Social capital resources

- Social capital is important at both the nascent and early firm stages, but existing social capital may not be useful to older entrepreneurs operating in new markets and contexts. Consequently, unless the older entrepreneur operates a business activity associated with their prior employment, new social capital and business networks often need to be generated.
- Retired individuals and unemployed individuals often lost social capital networks over time and also had to develop new networks and social capital. As many of

the respondents worked from home, developing new social capital is difficult at the nascent stage and continues to affect them during the early business stages.

- Older individuals at the nascent business stage that were recently in employment, prior to forming their firm, often continued to use their existing contacts in their new firms, minimising social capital barriers.
- In some cases, the enterprises of individuals were based in different sectors, and existing social capital was not always relevant to the new contexts in which they operate.

5.3.2 Financial support and resources

- Not surprisingly, gaining the necessary financial resources was often reported by the older entrepreneurs as one of the main barriers to establish and successfully run their business.
- Whilst those older entrepreneurs that were unemployed struggled to finance their business, those that were retired benefited from the receipt of a pensionable income to help them finance their businesses and living expenses, during the nascent phase or to complement the income from their firm.
- Older entrepreneurs that were in employment and at the nascent stage of firm formation or those that had a second job, also benefitted from the additional income. The accumulated life savings of older entrepreneurs at the nascent stage also reduced the reliance of these individuals on external sources of finance.
- Older entrepreneurs with experience in the professional services industries required less financial capital to form their firm, as their services do not often require substantial equipment and supplies. They were able to work from home, reducing the financial entry barriers to these individuals, compared to individuals that had to purchase equipment, or required premises.
- Respondents that had worked for a large employer for a long period of time were able to accept 'comfortable' severance packages during the recent recession, which helped them to finance their business. Older entrepreneurs that had lower incomes, including those that were unemployed or receiving smaller pensions, however, were not always able to benefit from accumulated reserves, and thus faced finance as the main barrier to their business development.

5.3.3 Clients

- The interviews found that the views of the respondents' client networks concerning the older entrepreneur's age varied, being positive or negative. Negative perceptions were present and could have an especially detrimental effect on how older entrepreneurs perceive their business venture.
- The identities of older entrepreneurs and the(ir perceived) differences that distance them from younger customers can create barriers through problems of communications and understanding. This appeared to be especially important during the running of the firm in the early career stage.
- Clients often questioned the ability of older entrepreneurs to provide adequate services and products, based on their age. This often impeded the ability of older entrepreneurs to develop a market and to seize new opportunities, jeopardising the sustainability of their business.

5.4 Social environment

5.4.1 Family and friends

- Nascent older entrepreneurs often sought support from family, but the experiences and employment backgrounds of these people, varied the type of support that was offered.
- Families that had previous experience in entrepreneurship were positive in the support of older entrepreneurs. On the other hand, those with no experience in entrepreneurship, were less supportive, or discouraged older entrepreneurs.
- The mixed views of family networks, regarding positive and negative approvals, were also present within friend networks. The findings suggest that the experiences and background of friends have also marked effects on the positive or negative perceptions of older individuals engaging in business ownership.
- Friendship groups, whose work lives were orientated around professional, corporate career development, viewed their own activities as the 'norm'. Older entrepreneurs and the idea of running a business for yourself in older age was regarded as unusual or at worst deviant activity not meeting the expectations / outlook of those in friendship groups.
- In contrast, friend networks whose members were predominantly business owners, viewed older entrepreneurship as a normal activity. Subsequently, some

friend networks, perceived older entrepreneurship positively and provided support to older individuals.

5.4.2 Social care responsibilities

- The process of ageing, as people move through their lifecycle can increase confidence and embrace risk, especially when older individuals no-longer have responsibilities such as children to consider.
- It is acknowledged that women below the age of 50 can be engaged in the social care of elderly parents and relatives, but this study implies that this is more common for older entrepreneurs as their parents will be more prone to illness due to their advanced aging.
- An older entrepreneur may be motivated and intending to establish a firm, but caring responsibilities can create barriers, preventing them from doing so, until events occur where they no longer care for relatives.
- Barriers of care responsibility can continue to affect older entrepreneurs during the processes of firm formation, but also into the later stages of the firm's life-cycle. These social barriers can change in intensity, which can affect the amount of time that an older entrepreneur can invest in their business. Again, this may make business ownership attractive as the owner-manager can vary their efforts especially if in self-employment.
- The barriers through caring responsibilities that face older entrepreneurs are gendered, and unlike barriers of ageism which can be displaced or avoided, it is difficult to relinquish caring responsibilities. These barriers fall particularly heavily upon older women entrepreneurs at the nascent and early firm stages.

VI. SOURCES OF ADVICE

Mentoring and support for older (potential) entrepreneurs can provide important guidance and advice on how to overcome barriers. This section summarizes the main sources of professional advice and support identified by the interviewed older entrepreneurs:

6.1 Information

- Whilst older entrepreneurs raise the importance of accessing and gaining information relevant to their business formation or early business phase, they perceive a particular challenge as a result of overly-complex and not understandable information published on websites from different governmental bodies and support agencies.
- Since taxation issues and bureaucracy can generally set a strong barrier for new small business owners, older entrepreneurs seem to have particular difficulties in understanding new concepts and terms on information sites and platforms that – in the respondents' view – rather address the younger, media-savvy and 'well-educated' generations.
- With regards to information sources, the support agency PRIME has been emphasised as the organization that offers a useful overview of the available information platforms and support agencies in the UK. This was reported as important in helping the older entrepreneurs to overcome initial start-up barriers.

6.2 Mentoring and coaching

- Older entrepreneurs commonly expressed the important role of a personal mentor and coach, who can both emotionally and practically understand and support their work-life and business (idea).
- Some of the respondents mentioned that they have been very lucky in finding a 'perfect' mentor. This appeared to happen by chance. However, most of the older entrepreneurs we interviewed complained of the lack of a role model and mentor, and expressed the difficulty to find such a person as they often perceive (and 'accept' only) a mentor that is older and more mature than themselves.
- Older entrepreneurs with prior experience in developing and running small firms, often had higher confidence in their abilities to manage their activities and were seeking for less external advice compared with novice entrepreneurs.

- Novice older entrepreneurs relied more heavily on social support and mentoring, where they often built their confidence by networking and sharing experiences with other older entrepreneurs, where a mutual perspective and understanding of their issues and barriers proved useful.
- Although many of the respondents strongly believe that they have substantial work experience, it is still important that coaching and mentors are available from different support agencies, who possess a portfolio of business knowledge and understanding, while also having a certain amount of (work-)life experience and empathy for older workers.

VII. CONCLUSION

This report has outlined how older entrepreneurship may offer a solution to some of the growing challenges emerging from ageing populations. Older entrepreneurship may be capable of addressing the financial concerns of older workers, but it can also be used as a vehicle to overcome other social issues and to address the work-life balance of older individuals, according to their personal needs. This report suggests that although the importance of older entrepreneurship will continue to grow, there is limited evidence in this area. Subsequently, more research is needed to study the different motivations and barriers that are experienced by this extraordinarily diverse group of people.

It is also argued in this report that more detailed evidence on older entrepreneurship is needed for policy-makers and other key stakeholders, in order to develop sound policies. For example, the results suggest that there is a need for more bespoke training, in addition to the availability of experienced mentors, to facilitate older entrepreneurship, and to maximise the potential of old entrepreneurship within the UK. Arguably, older entrepreneurship has the potential to meet many of the changing demands resulting from the demographic changes that the economy and society currently face. Britain is currently embarking on a transition through the recovery, towards the next phase of growth, and many stakeholders have called for a more sustainable and balanced form of growth and fiscal organisation. This new growth regime could be complemented by older entrepreneurship, and more research is needed urgently to widen debates on the potential for older entrepreneurship in the recovery.

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IX. APPENDIX

Table 1: Research participants

Case	Sex	Age	Educational	Main professional backgrounds	UK standard industrial
1	Male	60-64	Higher (Professional)	Caretaker, Translator	Professional, scientific and technical
2	Female	55-59	Further	Secretary, Childcare	Administrative and support service
3	Female	60-64	Higher	Local government administration,	Wholesale and retail trade
4	Male	55-59	Higher	Academic work, Social Research	Professional, scientific and technical
5	Male	50-55	Higher (Professional)	IT, Teaching, Customer Service	Human health and social work
6	Male	50-54	Further	Manufacturing, Accounting, Social	Human health and social work
7	Male	55-59	Secondary	Sales	Professional, scientific and technical
8	Female	55-59	Higher (Professional)	Health care, Teaching	Human health and social work
9	Female	55-59	Secondary	Local Government Administration	Human health and social work
10	Female	55-59	Higher (Professional)	Teaching, Education management	Human health and social work
11	Female	70-74	Secondary	Accountancy, Travel coordination	Administrative and support service
12	Male	50-54	Higher (Professional)	Law	Financial and insurance activities
13	Male	55-59	Higher	Visual Media	Wholesale and retail trade
14	Male	55-59	Higher	Academic	Wholesale and retail trade
15	Female	60-64	Secondary	Manufacturing, Training, Social work	Wholesale and retail trade
16	Female	60-64	Higher	Teaching, Graphic design	Arts, entertainment and recreation
17	Female	55-59	Further	Politics, Public Relations	Professional, scientific and technical
18	Female	50-54	Higher (Professional)	Civil Service, Healthcare	Human health and social work
19	Female	50-54	Higher (Professional)	Media, Librarian	Arts, entertainment and recreation
20	Male	60-64	Secondary	Catering, Finance, Human Resources	Human health and social work
21	Female	55-59	Higher	Social Research, Management	Accommodation and food service
22	Male	75-79	Higher	Engineering, Academic	Professional, scientific and technical

Notes: ¹ Secondary = Secondary school; Further = College; Higher = University degree; (Professional) = additional training/qualification. ² Source: UK Standard Industrial Classification of Economic Activities (2007), http://www.statistics.gov.uk/methods_quality/sic/downloads/SIC2007explanatorynotes.pdf