

4. Senior's self-employment and entrepreneurship activities

This chapter presents evidence on self-employment and entrepreneurship activities by seniors, including data on the proportion of seniors that are active in self-employment and entrepreneurship. Data are also presented on the characteristics of businesses operated by seniors, including the industry, proportion that introduce new products or services, and the proportion that expect to create a large number of jobs. The chapter also presents data on the key barriers to business creation for seniors such as a lack of entrepreneurship skills and fear of failure. These indicators are presented for European Union Member States and OECD countries along with the averages for the European Union and OECD.

Key messages

- **Seniors are active in self-employment.** In 2018, seniors (50-64 years old) were more likely to be self-employed than the overall adult population (15-64 years old) in the European Union (EU) (17.7% vs. 13.5% for adults). The self-employment rate for older age categories was higher: 39.2% for 65-69 years old and 50.5% for 70-74 year olds.
- **The number of self-employed seniors is increasing.** Between 2002 and 2018, the number of self-employed seniors (50-64 years old) in the EU increased by 35%, and even more so for those 65-74 years old (40%). This increase is due mostly to the aging of the self-employed population.
- **However, few seniors are actively involved in trying to set up a business.** In the EU, only 2.6% of seniors (50-64 years old) were engaged in starting a business over the 2014-18 period relative to 4.0% of adults. The OECD average for seniors for the same period was 4.7%.
- **Self-employed seniors are slightly more likely to have employees than the overall average.** In the EU, nearly one-third of self-employed seniors (31.0%) had at least one employee in 2018, relative to 28.4% for the overall self-employed population. It will be important for policy makers to look for ways to sustain these businesses and jobs as these seniors look to retire.
- **Older people are the most likely group to indicate that they have the skills and knowledge needed for business creation.** More than four in ten seniors in the EU (40.2%) reported that they had the knowledge and skills to start a business over the 2014-18 period. This was slightly below the OECD average for the same period (44.0%).
- **Nearly 30% of new older entrepreneurs in the EU offered new products and services to the customers** between 2014 and 2018 (27.5%), which was the same proportion as the overall population of new entrepreneurs. Similarly, 30.4% of new senior entrepreneurs in OECD countries reported offering new products and services during this period.
- **Seniors face a number of barriers to business creation**, including low levels of retirement savings, the opportunity cost of business creation and outdated business networks. A lack of entrepreneurship skills and a “fear of failure” are less significant barriers, on average, for seniors than other age groups.
- **There is a growing population of healthy older people** with the skills, financial resources and time available to contribute to economic activity through extending their working lives, including through entrepreneurship. Policy makers could do more to support this through by increasing awareness about the potential of entrepreneurship, providing training to fill knowledge gaps on entrepreneurship skills, and ensuring that tax and social security systems do not contain disincentives to entrepreneurship for older people, including investment in other businesses.

The policy context for senior self-employment and entrepreneurship

Supporting business creation among seniors can have several benefits for the economy and society. It can be a way to maintain labour market attachment of some older people and, in the short-run, partially offsetting the expected labour and skill shortages in some regions

and sectors. Keeping these older workers attached to the labour market can also help to facilitate a transfer of human capital across generations. Successful business creation by seniors can also increase tax revenue, thereby potentially partially offsetting rising social and health care costs. Senior entrepreneurship can also have other social and health benefits, including improved quality of life, enhanced social inclusion and reduced risk for older people of landing in poverty (OECD/EC, 2012^[1]).

Senior entrepreneurs can access programmes that are targeted at the general population of entrepreneurs, but there are a small number of entrepreneurship initiatives and schemes designed specifically to support older people in business start-up activities, such as by raising awareness about entrepreneurial opportunities for seniors and by tackling skills and financing gaps.

Self-employment

A high proportion of working seniors are self-employed

The proportion of seniors (50-64 years old) that are working as self-employed has decreased since 2002 in the European Union (EU), falling from 21.3% in 2002 to 17.7% in 2018 (Figure 4.1). Despite this decline in the share of seniors in self-employment, the absolute number of self-employed seniors increased since 2002. Relative to the overall adult population, the share of seniors in self-employment was about 33% higher than the overall self-employment rate for adults (15-64 years old) in 2018. The overall self-employment rate for adults also declined in the EU over this period but to a much lesser extent – falling from 14.4% in 2002 to 13.5% in 2018.

Examining the self-employment rates for different age cohorts among the oldest segments of the population shows that the self-employment rate tends to increase with age (Figure 4.2). More than half of the working population between 70 and 74 years old (50.5%) were self-employed in 2018. This was nearly four times the proportion of adults. These high self-employment rates among the older age groups are likely explained by two key factors. First, these may be workers that have been self-employed for most or all of their career and therefore do not have a pension plan that would allow them to retire. Second, these may be part-time self-employment activities that operate more as a hobby than a business, generating very little revenue.

With an aging population in the EU, there is growing interest in the potential for senior entrepreneurship as one method to keep older people active in the labour market. While the high self-employment rates among older people may suggest that there is a lot of potential for older people to become self-employed, it is important to recall that the absolute numbers of older self-employed people are quite low. In 2018, there were 14.5 million self-employed people between 50 and 74 years old in the EU, of which 1.5 million were 65-69 years old and 740 000 were 70-74 years old (Figure 4.3).

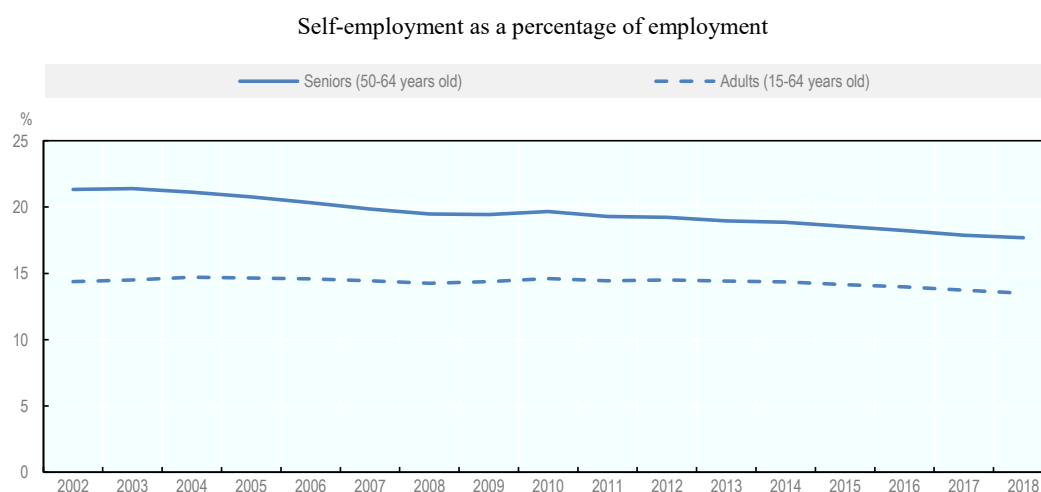
There is a large gender gap among the self-employed seniors. In 2018, older men (50-64 years old) in the EU were twice as likely as older women to be self-employed (22.7% vs. 11.9%) (Figure 4.4). This gender gap has closed only slightly since 2002 and remains above the overall gender gap in self-employment (10.8 percentage points, p.p. vs. 7.4 p.p.) – see Chapter 2 for more.

The self-employment rate for seniors varied substantially across countries between 2009 and 2018 (Figure 4.5). Nonetheless, many of the overall trends frequently hold in the majority of countries. For example, the self-employment rate increases with age in nearly

all EU Member States (and non-EU OECD countries), i.e. the self-employment rate is greatest for those between 70 and 74 years old. Furthermore, the self-employment rates tend to decline for the older age groups between 2009 and 2018 in most countries. The exceptions were in Austria, Germany, Hungary and Spain. In Austria and Germany, the self-employment rate increased from 23.6% in 2009 to 39.3% in 2018 and from 37.3% to 40.8% for those 70-74 years old. The self-employment rate increased from 36.9% to 41.9% for those 65 to 69 years old in Hungary. The self-employment rate increased for 65-69 year olds (44.6% to 48.7%) and 70-74 years old. (53.7% to 67.4%) over this period in Spain.

Overall, the self-employment rate for seniors (50-64 years old) is typically higher in EU Member States with lower labour market participation rates (Figure 4.5) Greece is the exception since self-employment rates for seniors are very high relative to other EU Member States, while activity rates are low.

Figure 4.1. The self-employment rate for seniors in the EU is declining



Source: (Eurostat, 2019^[2])

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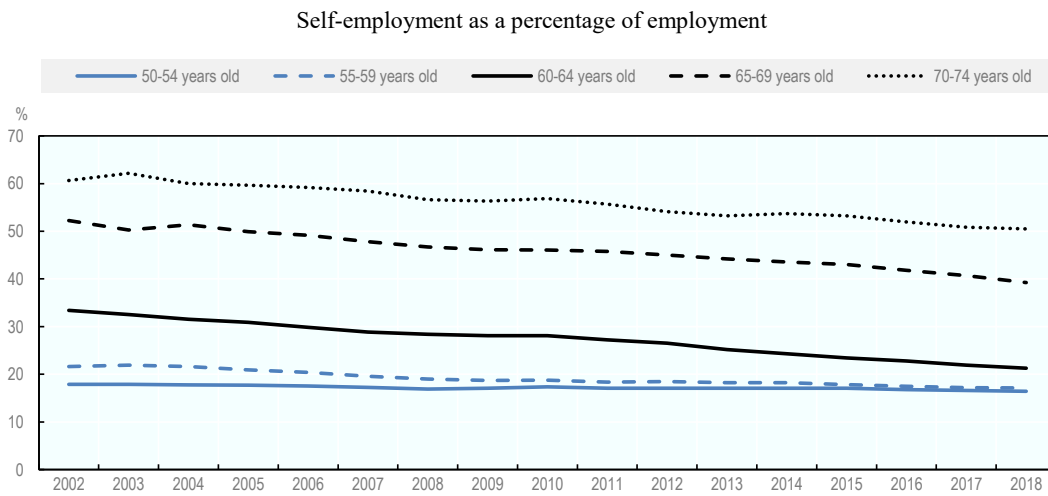
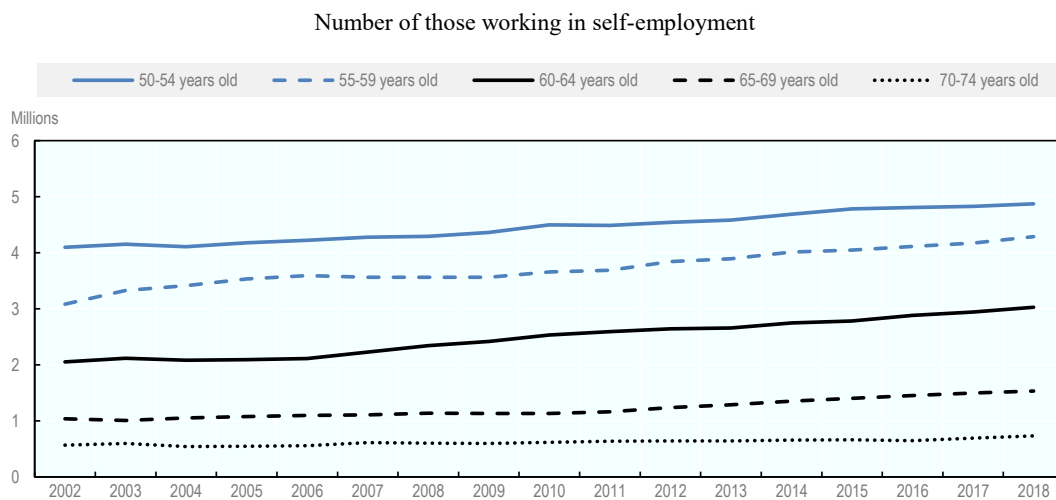
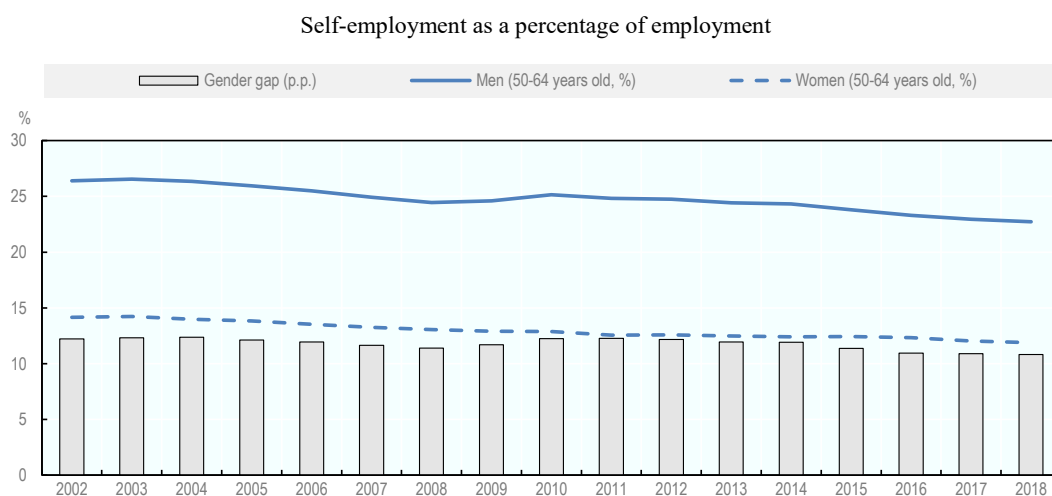
Figure 4.2. Self-employment rates for seniors in the EU increase with age, but have declined over timeSource: (Eurostat, 2019^[2])StatLink  <http://dx.doi.org/10.1787/888934065741>**Figure 4.3. The number of self-employed seniors is growing in the EU**Source: (Eurostat, 2019^[2])StatLink  <http://dx.doi.org/10.1787/888934065760>

Figure 4.4. The gender gap in senior self-employment in the EU is greater than the gap for the overall self-employed population



Source: (Eurostat, 2019^[2])

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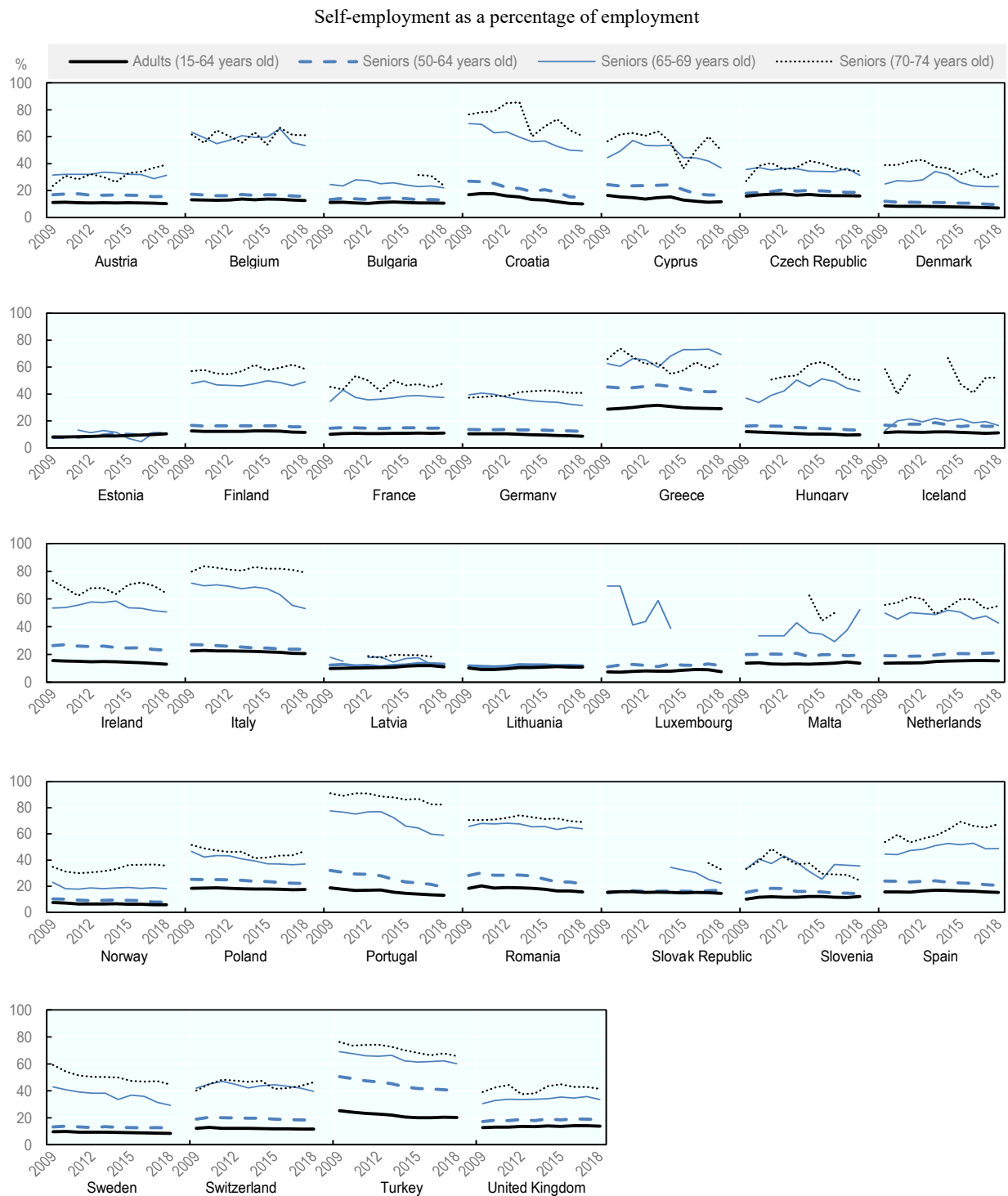
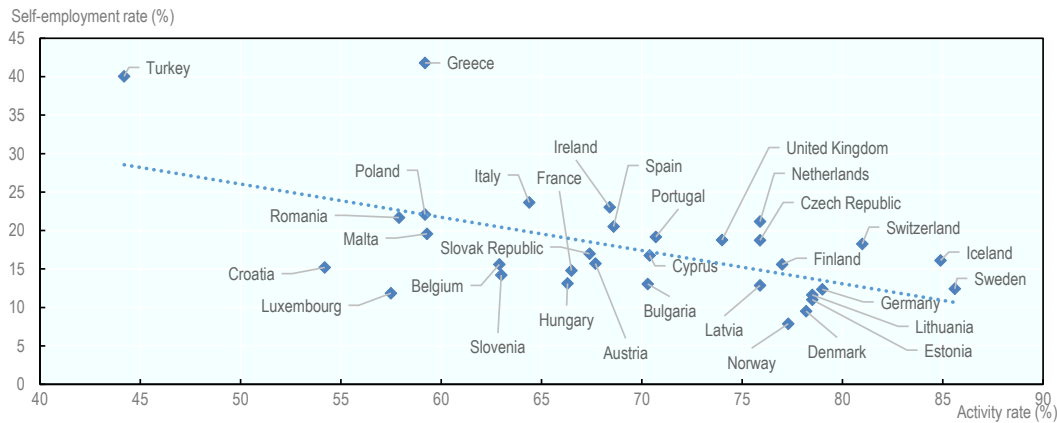
Figure 4.5. Self-employment rates for seniors vary greatly but countrySource: (Eurostat, 2019^[2])StatLink  <http://dx.doi.org/10.1787/888934065798>

Figure 4.6. Self-employment rates for seniors are lower when activity rates are high

Self-employment as a percentage of employment (50-64 years old) and labour market activity rate (50-64 years old), 2018



Source: (Eurostat, 2019^[2])

StatLink  <http://dx.doi.org/10.1787/888934065817>

Self-employed seniors are more likely to have employees

Nearly one-third (31.0%) of self-employed older people (50-64 years old) had at least one employee in 2018 (Figure 4.7). The share of self-employed older people with employees has declined slightly since 2002, falling from 34.2%. Nonetheless, this was slightly above the overall proportion of self-employed people (15-64 years old) with employees (28.4%).

There is also a substantial gender gap in the share of older self-employed people that have employees. In 2018, 33.4% of self-employed older men had employees while 25.6% of self-employed older women did. Both of these proportions were above the shares of the overall population of the self-employed that employed others (30.9% for men and 23.3% for women). The share of self-employed older men with employees has declined since 2002, but the proportion has been fairly constant since 2012. Similarly, the share of self-employed older women with employees declined between 2002 and 2012, but increased slightly between 2012 and 2018.

Looking at the self-employed who are 65 years old and older, the share with employees is lower than those between 50 and 64 years old (Figure 4.8). In 2018, the likelihood of having at least one employee decreased with age – about 32.1% of those between 50 and 54 years old had at least one employee, which was above the share of other cohorts of older self-employed people: 31.0% of those 55 to 59 years old; 28.4% of those 60 to 64 years old; 25.1% of those 65 to 69 years old; and 20.8% of those 70 to 74 years. Since 2002, the share of those with employees decreased for the age cohorts 50 to 54 years old and 55 to 59 years old, but increased for the older age groups, notably among those 70 to 74 years where the share increased from 15.9% to 20.8%.

The share of older self-employed people with employees varied greatly across countries, and greatly by age within each country (Figure 4.9). Older self-employed people were the most likely to have employees than the overall average in Austria, Estonia, France, Germany, Hungary, Latvia, Luxembourg, and Switzerland. There were also several countries where the share of the older self-employed people with employees did not vary

substantially, including the Czech Republic, Greece, Italy, Malta, Poland and the United Kingdom.

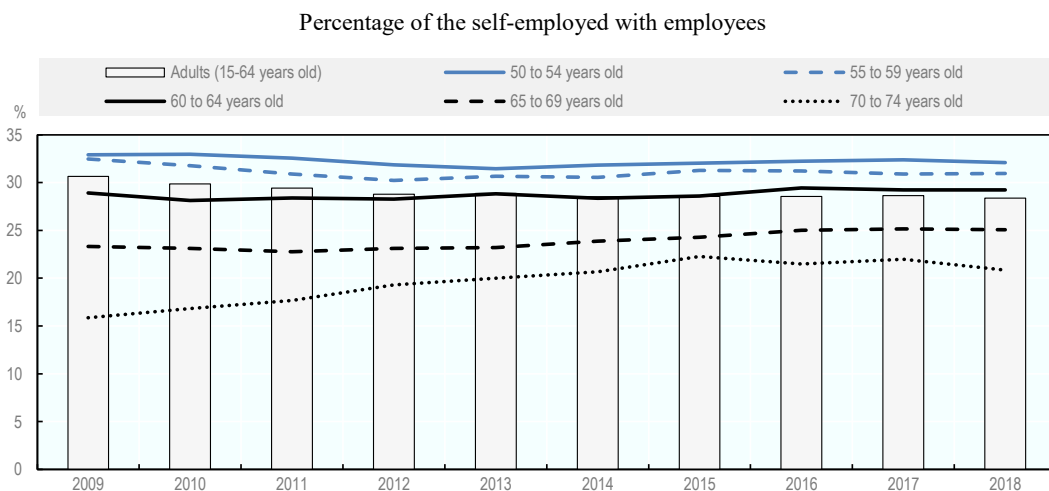
Figure 4.7. The share of self-employed seniors in the EU with employees has declined since 2002



Source: (Eurostat, 2019^[2])

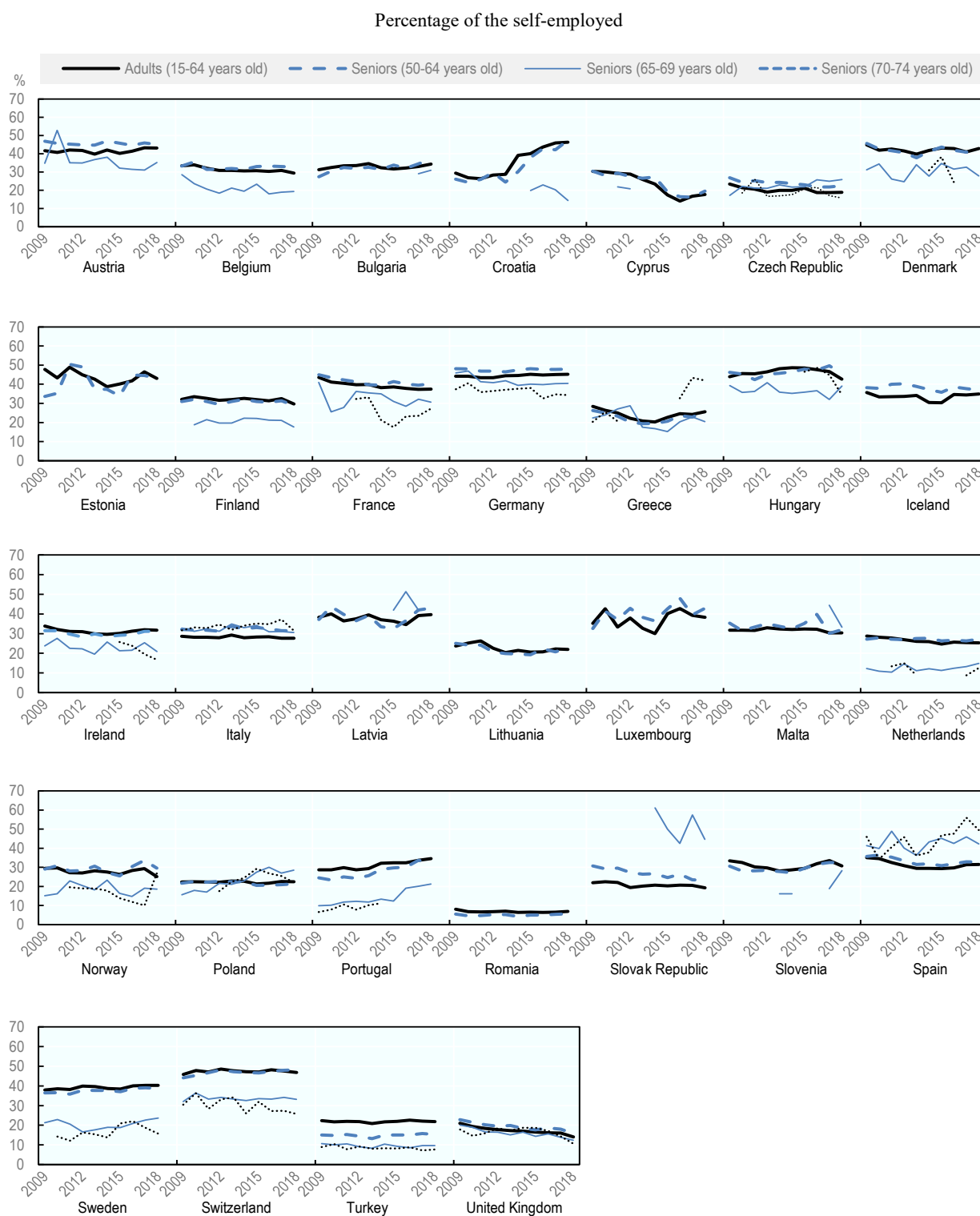
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Figure 4.8. Older seniors in the EU are less likely to have employees but a growing number do



Source: (Eurostat, 2019^[2])

StatLink  <http://dx.doi.org/10.1787/888934065855>

Figure 4.9. The share of self-employed seniors with employees varies greatly by countrySource: (Eurostat, 2019^[2])StatLink  <http://dx.doi.org/10.1787/888934065874>

Entrepreneurship cycle

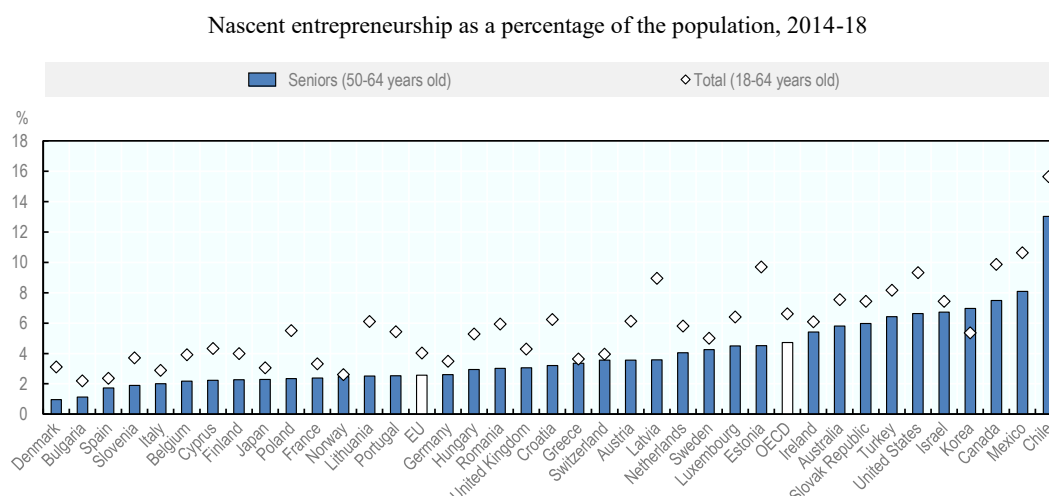
The scale and scope of entrepreneurship activities by seniors can also be estimated using surveys. One of the most well-known entrepreneurship survey is the annual international population survey by the Global Entrepreneurship Monitor (GEM), which is a network of entrepreneurship researchers and research institutions. The model used by the GEM considers four stages of entrepreneurship activity: nascent entrepreneurship, new business ownership, established business ownership and business discontinuation. Please refer to the Reader's Guide at the beginning of this report for more information on the GEM survey.

Seniors are not likely involved in pre start-up activities

Nascent entrepreneurship, the first stage of the GEM entrepreneurship cycle, is defined as the proportion of the adult population (18 to 64 years old) that are actively involved in setting up a business they will own or co-own. This business must not have paid salaries, wages or any other payments to the owners for more than three months.

The nascent entrepreneurship rate for seniors (50-64 years old) over the period 2014-18 was 2.6% in the EU (Figure 4.10). In other words, about 2.6% of the population between 50 and 64 years old were involved in nascent entrepreneurship activities. This proportion was two-thirds of the proportion of the adult population over this period (4.0%). The nascent entrepreneurship rate for seniors was slightly higher in the OECD during this period (4.7%), which is consistent with a higher nascent entrepreneurship rate for the overall population (6.6%).

Between 2014 and 2018, the nascent entrepreneurship rate for seniors was the highest in the Slovak Republic (6.0%) among EU Member States. Conversely, only about 1% of seniors in Denmark (1.0%) and Bulgaria (1.1%) were involved in pre start-up activities over this period.

Figure 4.10. Less than 3% of seniors are involved in pre start-up activities in the EU

Note: The nascent entrepreneurship rate is defined as the proportion of the adult population (18-64 years old) that are actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

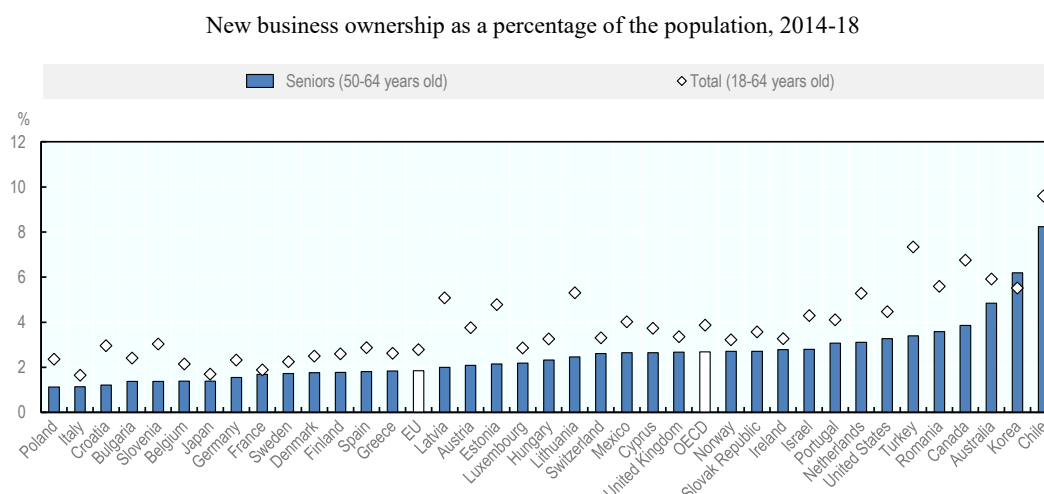
Source: (Global Entrepreneurship Monitor, 2019^[31])

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Very few seniors are new business owners

New business ownership is the second phase of entrepreneurship activity in the GEM model. The new business ownership rate measures the proportion of the population that is currently the owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months.

The new business ownership rate for seniors in the EU for the period 2014-18 was 1.9%, while it was slightly higher in OECD countries (2.7%) (Figure 4.11). In both cases below the new business ownership rate for the overall population (2.8% in the EU; 3.9% in the OECD). Among EU Member States, the new business ownership rates for seniors were the highest in Romania (3.6%) and lowest in Poland and Italy (1.1% in both countries).

Figure 4.11. Less than 2% of seniors are new businesses owners in the EU

Note: The new business ownership rate measures the proportion of the population (18-64 years old) that is currently the owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2019^[3])

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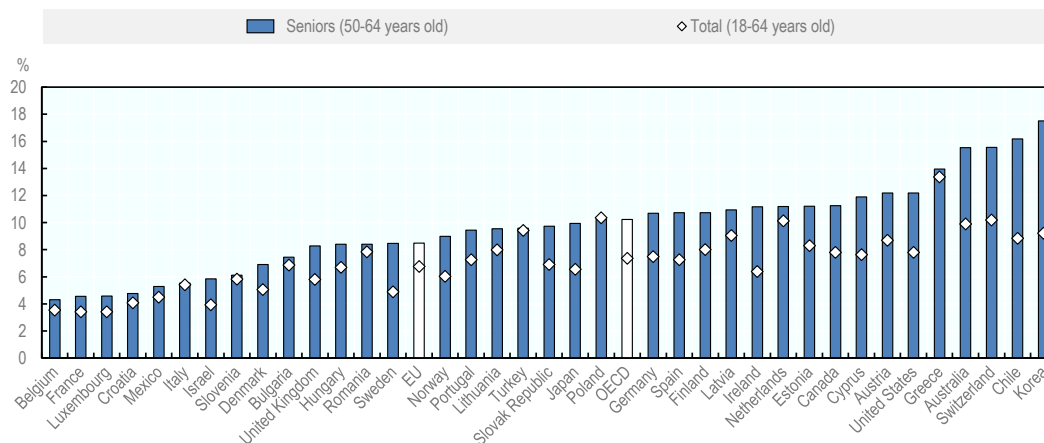
Seniors are more likely than all adults to be established business owners

Established business ownership is the third stage of entrepreneurship activities in the GEM model. Established business owners are those who are owner-managers of a business that has paid salaries, wages or any other payments to the owners for more than 42 months. The proportion of seniors that were established business owners in the EU between 2014 and 2018 was 8.5% (10.2% in the OECD), which was above the share for the overall population (6.8%) (Figure 4.12).

Among EU Member States, seniors were the most likely to be established business owners during this period in Greece (14.0%). The established business ownership rate was the lowest in Belgium (4.3%), France (4.6%), Luxembourg (4.6%) and Croatia (4.8%). In all countries except Italy and Poland, the established business ownership rate for seniors was greater than the rate for the overall population. In Italy and Poland, the rate for seniors was approximately equal to the average for the population – 5.5% for seniors and 5.4% for the population in Italy, and 10.2% for seniors and 10.4% for the population in Poland.

Figure 4.12. Less than 9% of seniors are established business owners in the EU

Established business ownership as a percentage of the population, 2014-18



Note: The established business ownership rate is defined as the proportion of the adult population (18-64 years old) that is currently the owner-manager of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months. All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2017^[4])

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Box 4.1. Country spotlight: Motivations for senior entrepreneurs, Portugal

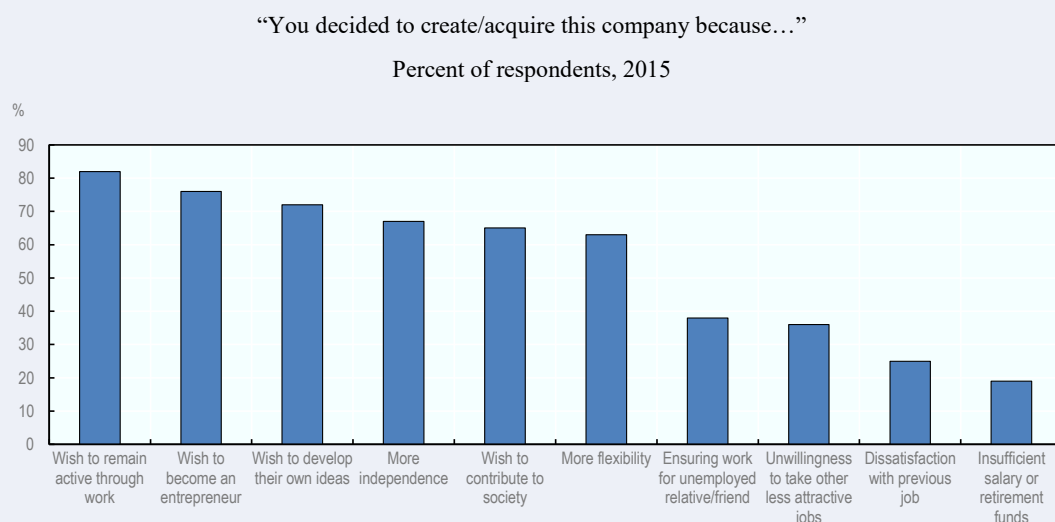
A new report on senior entrepreneurship in Portugal used a survey to explore the motivations and expectations of senior entrepreneurs, as well as several other issues such as the entrepreneurs' background and firm characteristics (Matos, 2018^[5]). The survey was administered in 2015 to entrepreneurs in Portugal who were at least 50 years old and had started or acquired their company between 2004 and 2009. The questionnaire was sent by mail and e-mail, with follow-up by telephone. In total 1 671 questionnaires were sent and 181 complete and valid responses were returned.

The results shows that most senior entrepreneurs who started or acquired their company were motivated by positive factors (Figure 4.13). The most frequently cited motivations were that they wished to remain active through work (82%); wished to become an entrepreneur (76%); and wished to develop their own ideas (72%). Negative factors were much less frequently reported: unwillingness to take other less attractive jobs (36%); dissatisfaction with previous job (25%); and insufficient salary or retirement funds (19%).

On average, surveyed entrepreneurs operated firms with two owners and three employees. About 57% of senior entrepreneurs in the sample report profits, while 21% report net losses. The most common category of annual turnover reported was "up to EUR 49 999", which was below the average of turnover the Portuguese employers (Matos, 2018^[5]). This suggests that many senior entrepreneurs are likely motivated by factors other than company growth and financial gain.

Responses about achievements confirm this. While 72% of responding senior entrepreneurs indicated that they considered their business to be a success, only 14% reported that their business generated a high income. It appears that the surveyed senior entrepreneurs were more interested in flexible working hours and being able to be creative (Figure 4.13).

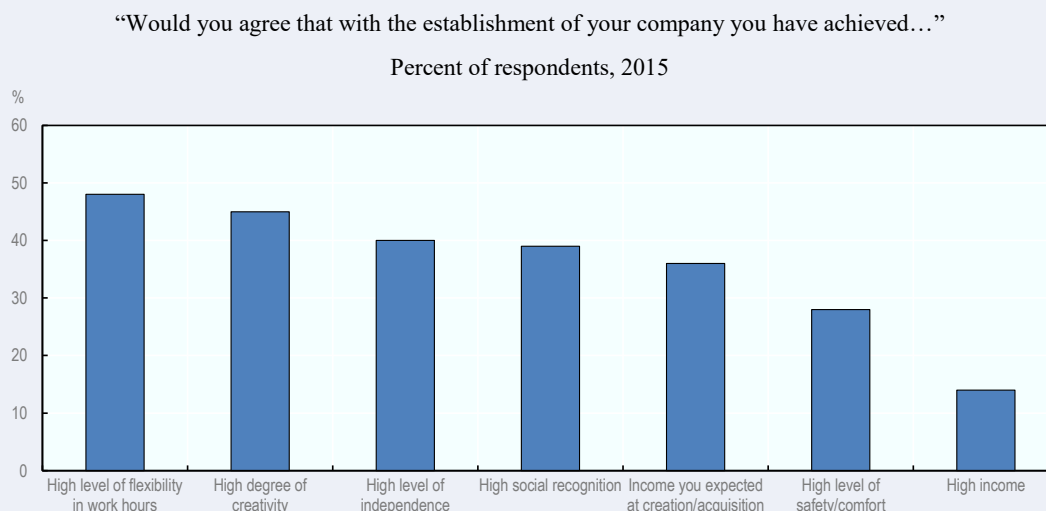
Figure 4.13. Senior entrepreneurs are mostly motivated by positive factors



Source: (Matos, 2018^[5])

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Figure 4.14. Senior entrepreneurs were most likely to achieve flexibility in working hours but few generated high income



Source: (Matos, 2018^[5])

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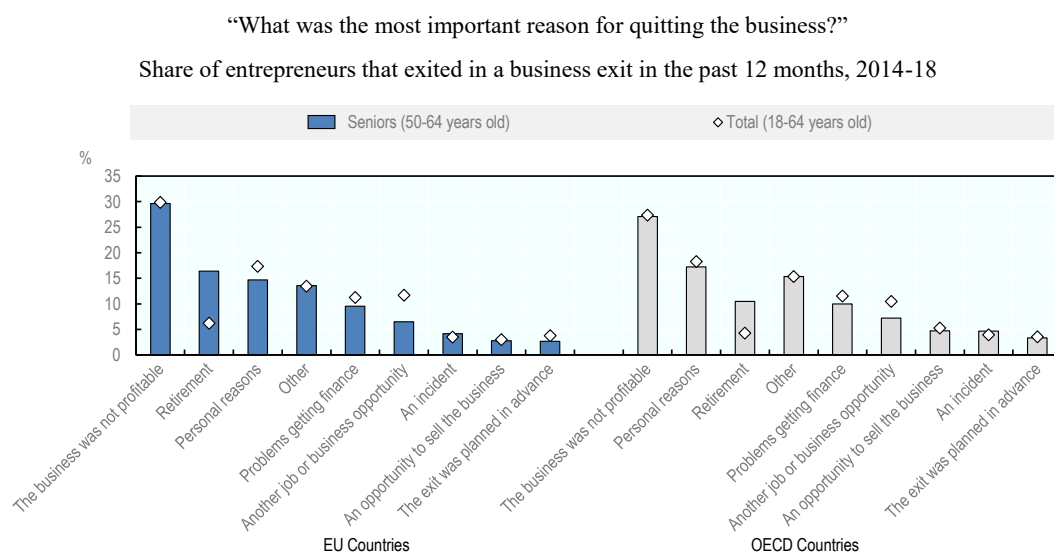
Business exits were mostly due to a lack of profits

Business discontinuation is the final stage of the entrepreneurship cycle. The GEM survey asks those in the population who exited a business in the past 12 months the reason for ceasing business operations.

Senior entrepreneurs in the EU were most likely to report that they exited because it was not profitable (29.7%), which was also true for the overall population (29.8%) (Figure 4.15). Unsurprisingly, senior entrepreneurs in the EU were much more likely than the overall population to have exited their business due to retirement (16.4% vs. 6.2%). Conversely, they were less likely than the population to report that they exited due to another job or business opportunity (6.5% vs. 11.7%).

A similar patterns emerges among senior entrepreneurs in the OECD during this period. The most common reason for business exit was that it was not profitable (27.1%). This was followed by personal reasons (17.2%) and retirement (10.5%). As in the EU, senior entrepreneurs in the OECD were less likely than the overall population to report that they exited their business to pursue another job or business opportunity (7.2% vs. 10.5%).

Figure 4.15. About twice as many seniors exited their business due to a lack of profits than for retirement



Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2019^[31])

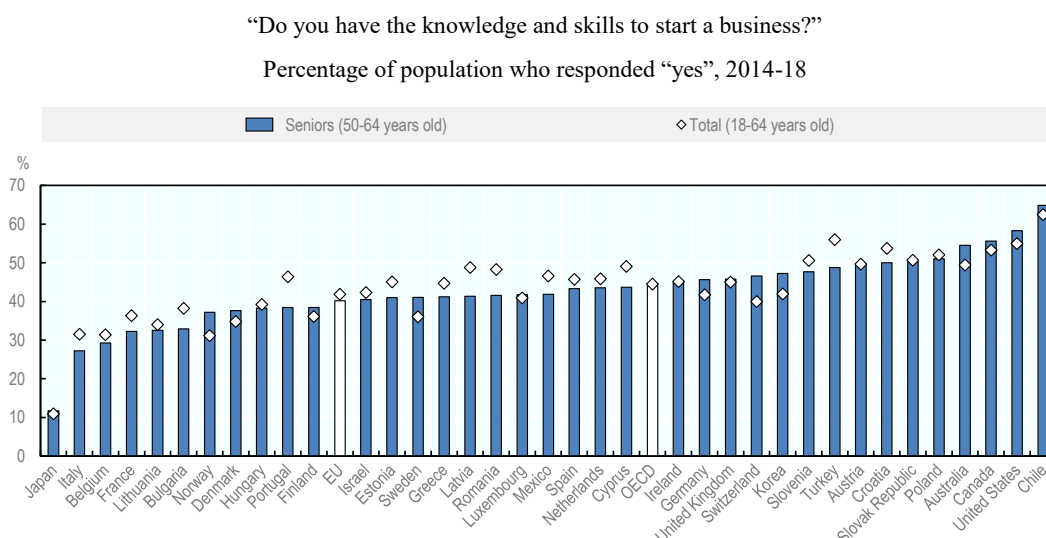
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Barriers to business creation for seniors

Seniors are as likely as adults to have entrepreneurship skills

One of the most frequently cited barriers to business creation is a lack of entrepreneurship skills (see also Chapters 2 and 3). However, on average, this does not appear to be a barrier for seniors since they are as likely as the overall population to report that they have sufficient skills and experience for business creation. Between 2014 and 2018, 40.2% of seniors in the EU (44.0% in the OECD) reported having the skills needed for business creation (Figure 4.16). These proportions were essentially the same as the overall averages (41.9% in the EU and 44.5% in the OECD).

Between 2014 and 2018, more than half of the senior population in the Slovak Republic (50.2%) and Poland (51.1%) reported that they had the skills and experience to start a business. However, in Italy only 27% were confident that they had the skills to start a business.

Figure 4.16. About 40% of seniors report having entrepreneurship skills

Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2019^[3])

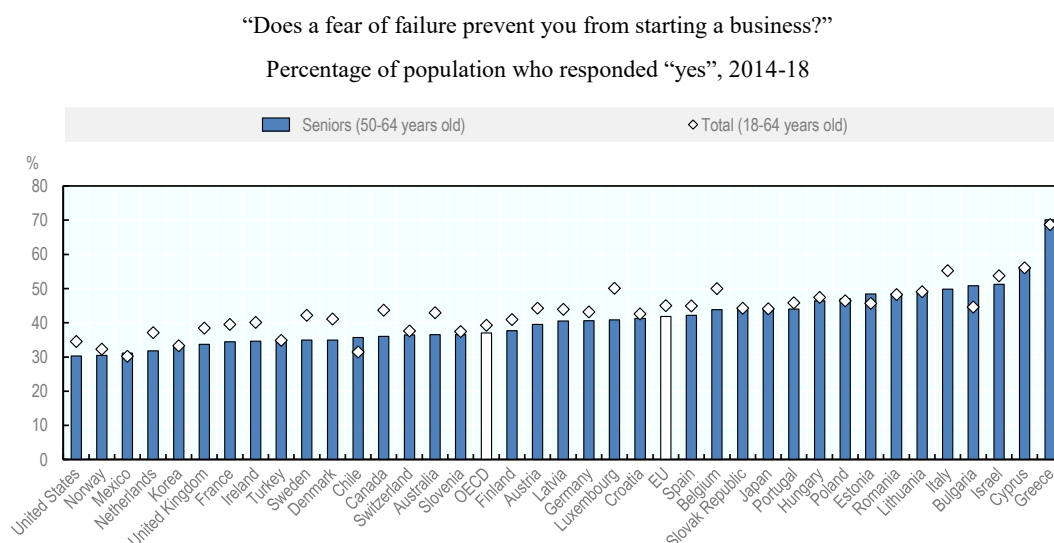
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Seniors are less likely than adults to report a fear of failure

Fear of failure can also be a strong barrier to business creation because entrepreneurship is an activity that entails risk. However, seniors (50-64 years old) were slightly less likely than the overall average to report that a fear of failure was a barrier to business creation between 2014 and 2018. In the EU, 41.8% of older people reported this barrier, compared to the overall average (45.0%). In OECD countries, seniors were slightly less likely to report this barrier (37.1% compared to an OECD average of 39.3%) (Figure 4.17).

More than half of seniors reported this barrier over this period in Bulgaria (50.8%), Cyprus (55.8%) and Greece (70.1%). In Bulgaria and Greece, the proportion of seniors that reported this barrier was greater than the overall average for the population. Relatively few seniors reported this barrier in the Netherlands (31.8%).

Figure 4.17. About 40% of seniors reported that a fear of failure was an obstacle to business creation



Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

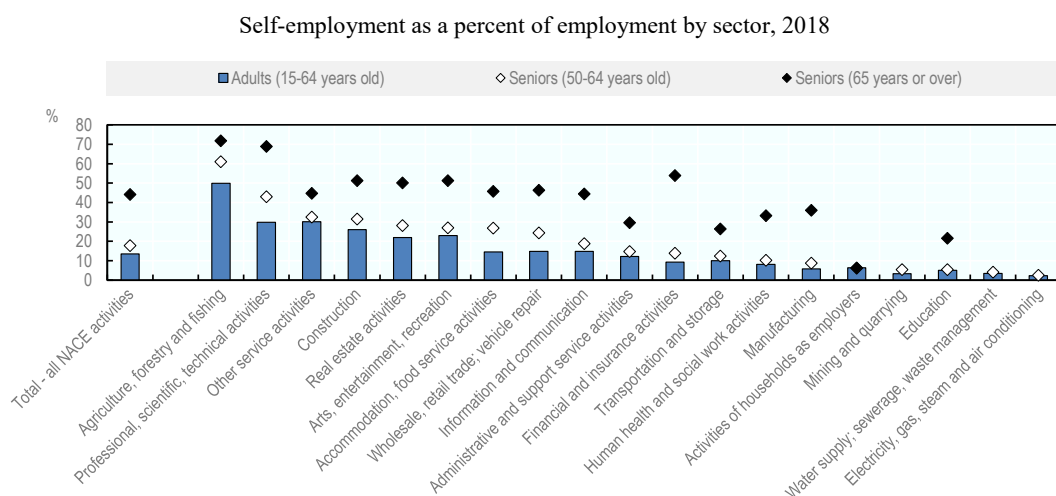
Source: (Global Entrepreneurship Monitor, 2019^[3])

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Characteristics of self-employed seniors

Self-employment rates by sector vary among different age cohorts of seniors

In the EU, self-employment rates for those 50-64 years old and those 65 years and older were highest in Agriculture, forestry and fishing (61.0% for those 50-64 years old and 71.7% for those 65 years old and over) and Professional, scientific and technical activities (43.0% and 68.8%) in 2018 (Figure 4.18). For those aged 65 years old and older, the self-employment rate was also high in Financial and insurance activities – 53.9% relative to 9.3% overall.

Figure 4.18. Seniors in the EU were most likely to be self-employed in Agriculture, forestry and fishing

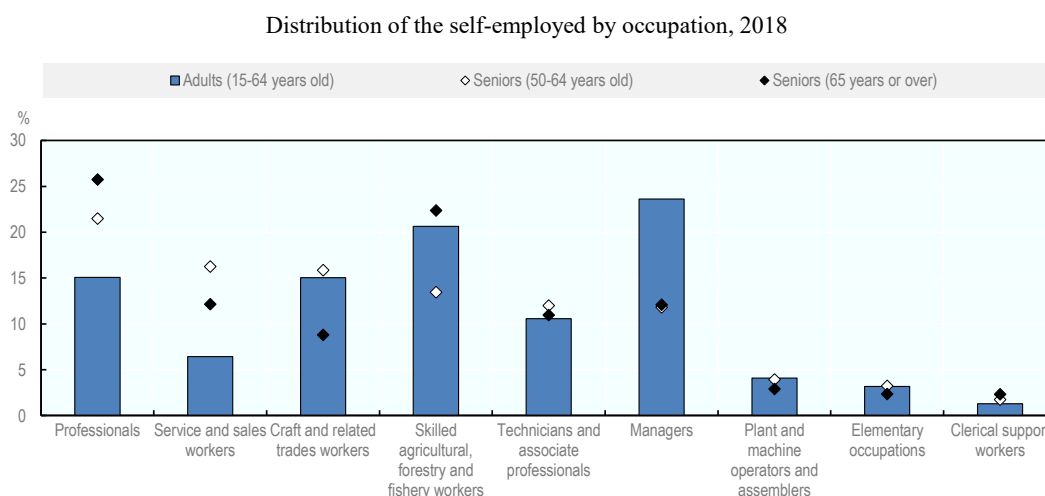
Source: (Eurostat, 2019^[2])

StatLink  <http://dx.doi.org/10.1787/888934066045>

Most self-employed seniors are working as Professionals

The distribution of self-employed seniors by occupation was substantially different than that of adults in the EU in 2018 (Figure 4.19). Self-employed seniors were mostly working as Professionals¹. More than one-fifth were working in this occupation (21.5% for those 50-64 years old and 25.7% for those 65 years old and older) relative to 15.1% of the total self-employed population. Self-employed seniors were also much more likely than the total self-employed population to be working as Service and sales workers – 16.3% of those 50-64 years old and 12.1% of those over 65 years old, relative to 6.4% overall. Conversely, they were much less likely to be working as managers – 11.8% for those 50-64 years old and 12.1% for those over 65 years old, relative to 23.6% of the total self-employed population.

Figure 4.19. Older self-employed seniors in the EU were more likely to be working as Professionals



Source: (Eurostat, 2019^[2])

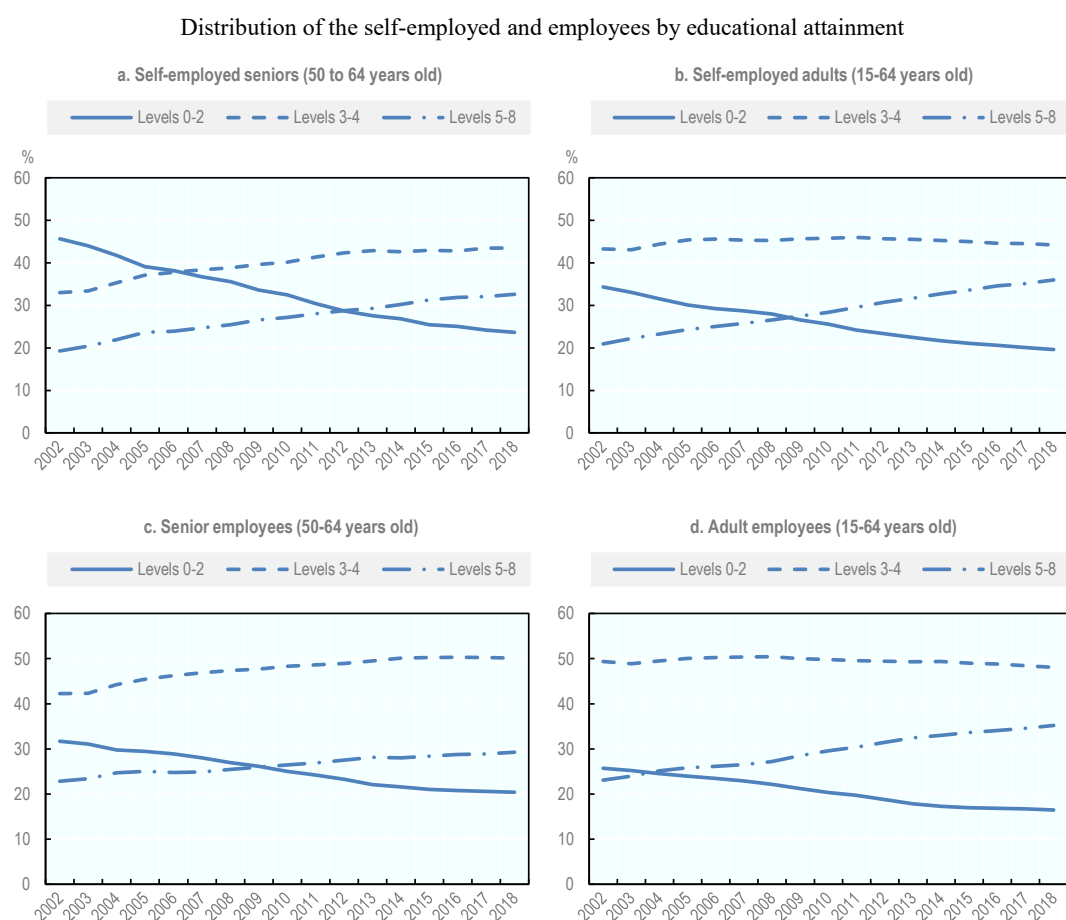
StatLink  <http://dx.doi.org/10.1787/888934066064>

More self-employed seniors in the EU had a tertiary education than those working as employees

The overall share of self-employed people with a tertiary education grew from 20.9% to 36.0% between 2002 and 2018 (Figure 4.20). A similar trend can be observed among older self-employed people (50-64 years old) but the growth was at a lower rate. Over this period, the share of older self-employed people with a tertiary education increased from 10.3% to 32.6%. This increase, however, was greater among older self-employed people than among older employees, which increased from 22.8% to 29.2%.

The countries where the greatest share of older self-employed people had a tertiary education in 2018 were: Belgium (50.0% relative to 40.6% for those who worked as employees), Estonia (51.2% relative to 42.0% for those who worked as employees) and Germany (50.5% relative to 26.8% for those who worked as employees) (Figure 4.21).

Figure 4.20. The share of self-employed seniors in the EU with a tertiary education grew faster than for those working as employees



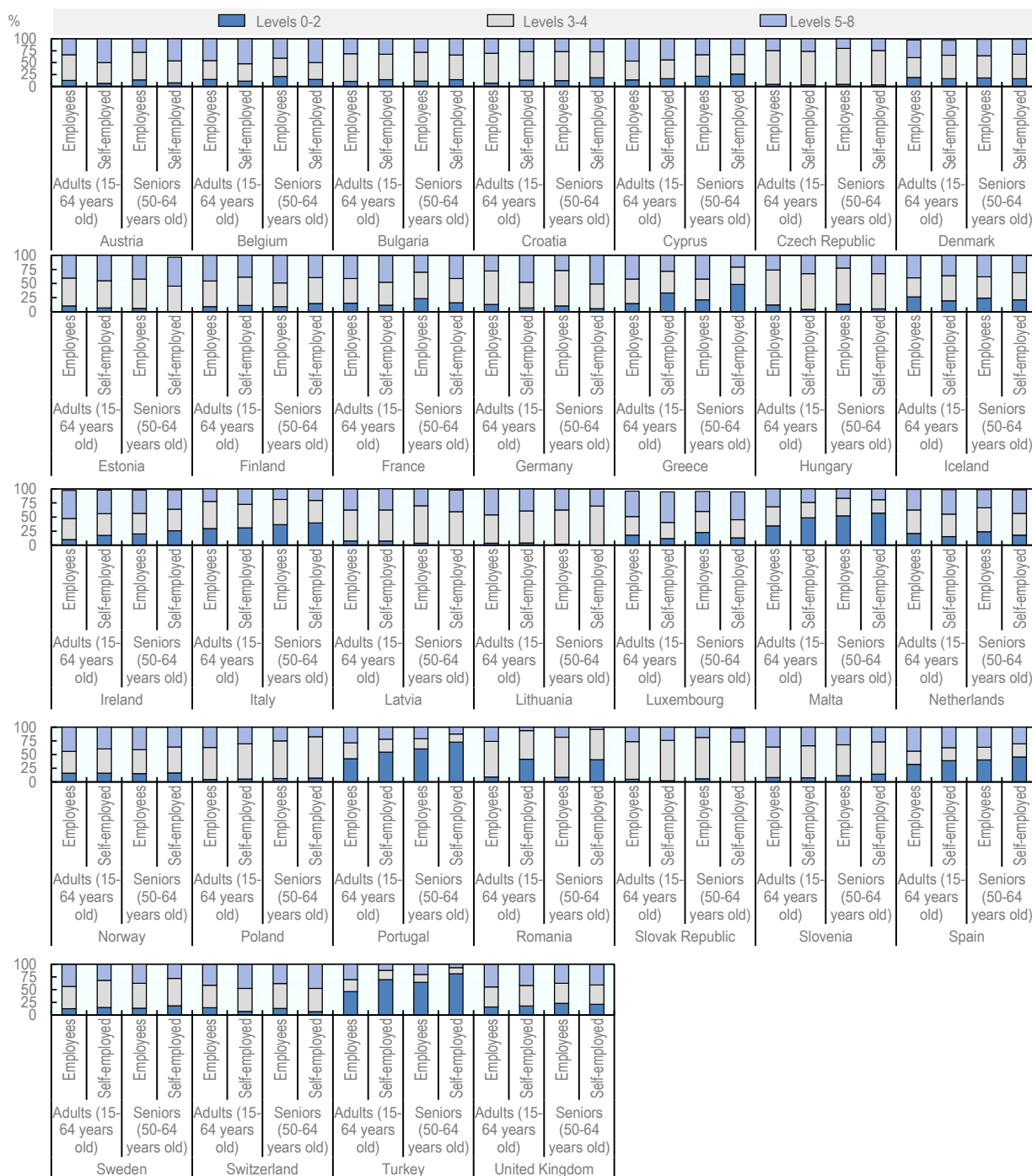
Note: Levels 0-2 refers to less than upper secondary education, while Levels 3-4 refers upper secondary and post-secondary non-tertiary education. Levels 5-8 refers to tertiary education.

Source: (Eurostat, 2019^[21])

StatLink  <http://dx.doi.org/10.1787/888934066083>

Figure 4.21. Educational attainment of self-employed seniors varies greatly by country

Distribution of the self-employed and employees by educational attainment, 2018



Note: Levels 0-2 refers to less than upper secondary education, while Levels 3-4 refers upper secondary and post-secondary non-tertiary education. Levels 5-8 refers to tertiary education.

Source: (Eurostat, 2019^[2])

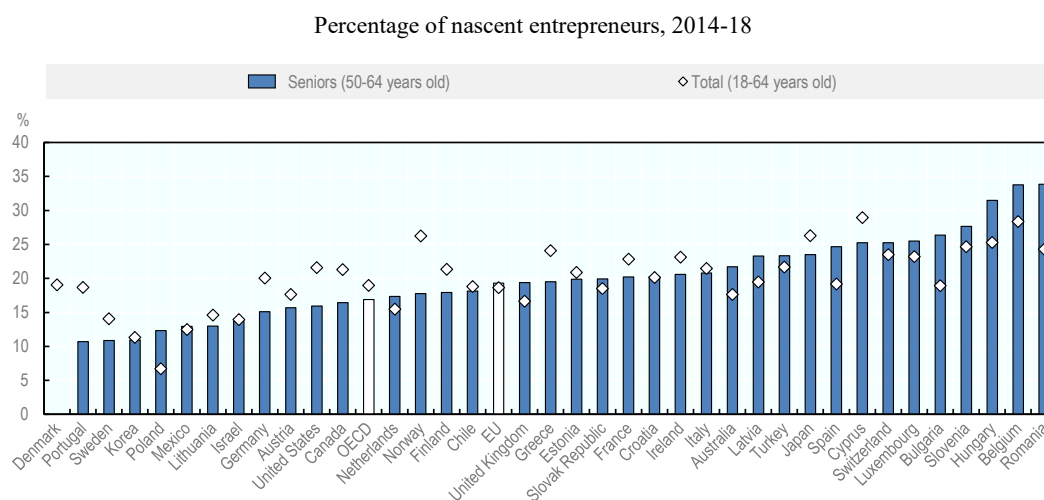
StatLink  <http://dx.doi.org/10.1787/888934066102>

Seniors are less likely to start businesses in teams

In the EU, senior entrepreneurs (50-64 years old) were slightly less likely than other adults to be involved in business creation with a team. Over the 2014-18 period, 16.9% of seniors reported that they were involved in starting a new business (i.e. less than 42 months old) with a team of three or more people (Figure 4.22). This proportion was slightly below the proportion of adults involved in team entrepreneurship (19.0%). In OECD countries, a slightly higher proportion of seniors reporting working in new in their new start-up projects (19.3%).

Among EU Member States, team entrepreneurship among seniors was most common in Hungary (31.5%), Belgium (33.8%) and Romania (33.9%). In each of these countries, seniors were also substantially more likely than the adult population to be working in teams. Conversely, seniors were the least likely to be working in teams in Portugal (10.7%) and Sweden (10.9%).

Figure 4.22. The proportion of senior entrepreneurs working in teams varies greatly by country



Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2019^[3])

StatLink  <http://dx.doi.org/10.1787/888934066121>

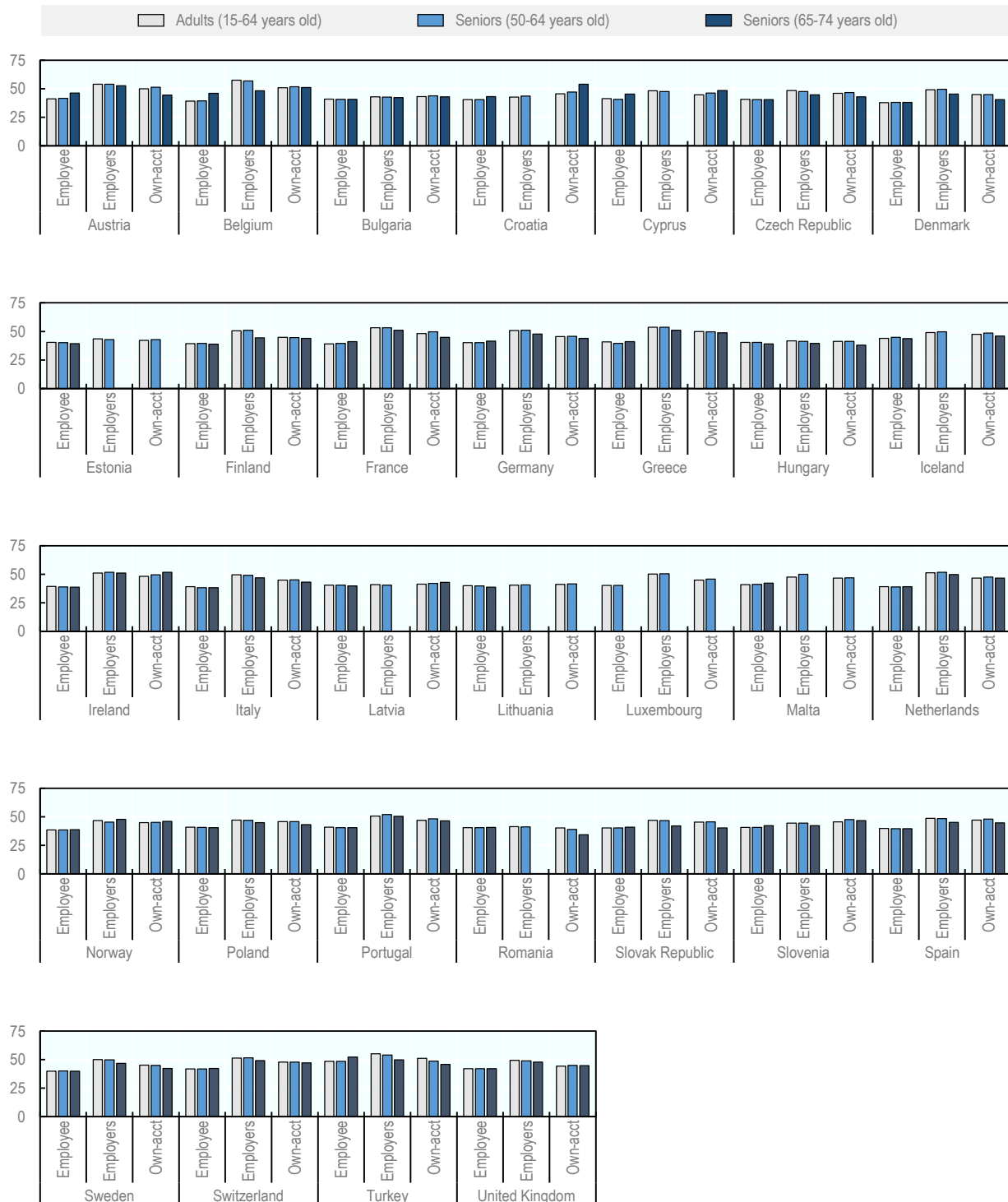
Business performance

Self-employed seniors typically work longer hours than those who are employees

Self-employed seniors tend to work more hours per week, on average, than those working as employees. Furthermore, self-employed seniors with employees typically work more hours per week than those without employees (Figure 4.23).

Figure 4.23. Self-employed seniors tend to work more than those working as employees

Number of average weekly hours for full-time workers, 2018

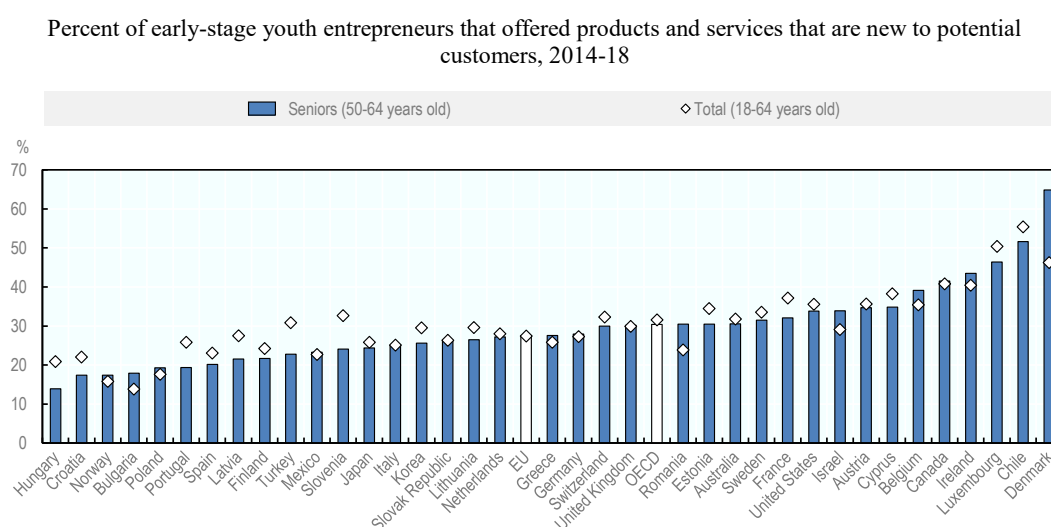
Source: (Eurostat, 2019^[2])StatLink  <http://dx.doi.org/10.1787/888934066140>

Senior entrepreneurs are as likely as the population of entrepreneurs to offer new products and services

Over the period 2014-18, 27.5% of nascent entrepreneurs and new business owners in the EU that were 50-64 years old reported offering products and/or services that were new to potential customers (Figure 4.24). This share was about the same as the share for all nascent entrepreneurs and new business owners in the EU for this period (27.5%), but slightly below the OECD average (30.4%).

Among EU Member States, seniors were the most likely to offer new products and services in Denmark (64.9%) and the least likely in Hungary (13.9%).

Figure 4.24. About 30% of early-stage senior entrepreneurs offered new products and services



Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2019^[31])

StatLink  <http://dx.doi.org/10.1787/888934066159>

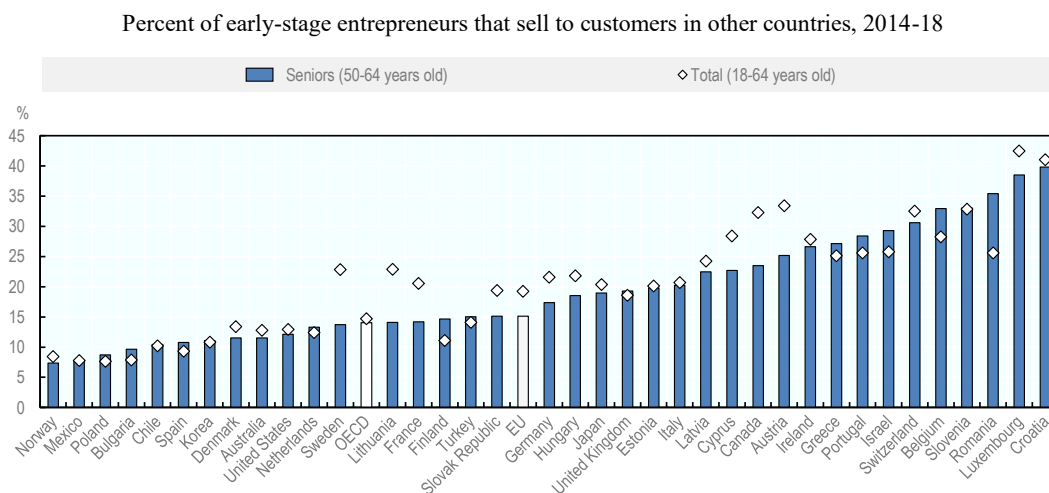
Senior entrepreneurs are less likely to have customers in other countries

Early-stage senior entrepreneurs (50-64 years old) appear to be less likely to operate internationally-oriented business than the overall population of nascent entrepreneurs and new business owners (Figure 4.25). In the EU, 15.1% of early-stage senior entrepreneurs reported having customers in other countries (14.0% in the OECD), which was below the overall average (19.2%) between 2014 and 2018.

Early-stage senior entrepreneurs were the most likely to report having customers in other countries during this period in Belgium (32.9%), Slovenia (33.0%), Romania (35.4%), Luxembourg (38.5%) and Croatia (39.8%). Conversely, they were the least likely to report having customers in foreign countries in Poland (8.7%) and Bulgaria (9.7%). The countries where early-stage senior entrepreneurs were more likely than the overall population were

Greece (27.1% vs. 25.1%), Portugal (28.4% vs. 25.6%), Belgium (32.4% vs. 28.3%) and Romania (35.4% vs. 25.6%).

Figure 4.25. About 15% of early-stage senior entrepreneurs sold to customers in other countries



Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

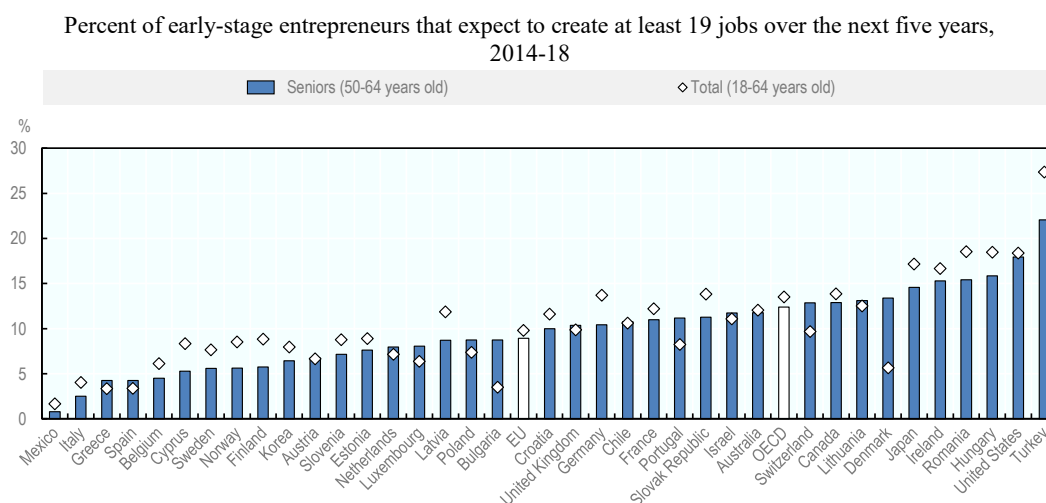
Source: (Global Entrepreneurship Monitor, 2019^[3])

StatLink  <http://dx.doi.org/10.1787/888934066178>

Senior entrepreneurs are slightly less likely to expect to create a high number of jobs

Early-stage senior entrepreneurs (50-64 years old) were about as likely as the overall average to expect to create at least 19 jobs over the next five years. Between 2014 and 2018, 8.9% of early-stage senior entrepreneurs in the EU reported an expectation to meet this level of job creation, which was slightly below the rate for the overall population during this period (9.8%) (Figure 4.26). The proportion of seniors who expected high-growth in OECD countries was slightly higher (12.4%).

Early-stage senior entrepreneurs were the most likely to expect to create at least 19 jobs over the next five years in Romania (15.4%) and Hungary (15.9%). Fewer than 5% of early-stage senior entrepreneurs expected this level of job creation in Italy (2.5%), Greece (4.2%), Spain (4.3%) and Belgium (4.5%).

Figure 4.26. Almost 9% of senior entrepreneurs expected to create a high number of jobs in the EU

Note: All EU and OECD countries participated in the GEM survey between 2014 and 2018 except the Czech Republic and Malta. Several countries did not participate in the survey in every year: Australia (2018), Austria (2015, 2017), Belgium (2016-18) Bulgaria (2014), Cyprus (2014-15), Denmark (2015-18), Estonia (2018), Finland (2017-18), France (2015), Hungary (2017-18), Japan (2015-16), Korea (2014), Latvia (2014, 2018), Lithuania (2015-18), Mexico (2018), Norway (2016-18), Portugal (2017-18), Romania (2016-18), Turkey (2014-15, 2017).

Source: (Global Entrepreneurship Monitor, 2019^[3])

StatLink  <http://dx.doi.org/10.1787/888934066197>

Conclusions

Seniors are more active than the adult population in self-employment and senior entrepreneurs are an extremely diverse group. They include people who have spent their entire career in self-employment, those transitioning into retirement by starting a part-time business and those who have had to start a business to earn income due to a lack of retirement savings. Accordingly, the challenges faced by this group are diverse. Some lack entrepreneurship skills, while others lack financial resources and many will have small or outdated business networks. Public policy has a role in addressing these barriers by offering entrepreneurship training, improving access to start-up financing and supporting the development of entrepreneurship networks. In addition, many seniors have experience in self-employment and can remain engaged in entrepreneurship by mentoring and supporting younger entrepreneurs. Therefore, public policy can also match senior entrepreneurs with younger entrepreneurs to facilitate a transfer of knowledge between the generations.

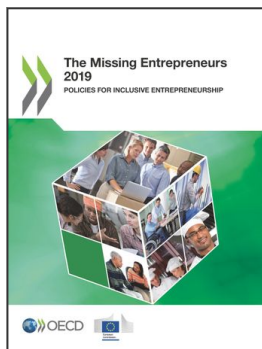
For more information and policy discussion on senior entrepreneurship activities, please refer to (OECD/EC, 2012^[1]) and (European Commission, 2016^[6]). Examples of recent policy action to support senior entrepreneurs are contained in the country profiles in Part III of this report, notably the profile for Spain.

Notes

¹ Professionals increase the existing stock of knowledge; apply scientific or artistic concepts and theories; teach about the foregoing in a systematic manner; or engage in any combination of these activities, see the classification of European Skills, Competences, Qualifications and Occupations (ESCO), <https://ec.europa.eu/esco/portal/occupation>.

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