

# Senior Entrepreneurship in Aotearoa New Zealand

An Unrealised Opportunity  
Research Report

HART

Health and Ageing Research Team



MASSEY  
UNIVERSITY  
TE KUNENGA KI PŪREHUROA

UNIVERSITY OF NEW ZEALAND

# ACKNOWLEDGEMENTS

Every day people around the world are taking the bold step of starting a business for the first time later in life. This research acknowledges their stories, the risks they take, and the contribution they are making to the economy, to their communities and families/whanau. You are pioneers, you are venturers. Thanks to those from Aotearoa New Zealand who willingly shared their stories as part of this research.

This research stands on the shoulders of global pioneers. We would acknowledge in particular the leadership and encouragement of Elizabeth Isele who first inspired Geoff Pearman to open up this conversation in Aotearoa New Zealand.

Since 2006, Massey University has through the Health, Work and Retirement programme drawn our attention to what it means to age in Aotearoa New Zealand. We acknowledge the leadership of Professor Christine Stephens and Professor Fiona Alass and their support which has made this research possible.

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The names of those interviewed have been changed to protect their identity. Where details of their business may identify the interviewees we have made minor changes. Otherwise all quotes are verbatim. Photos sourced from stock photo libraries.

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**This is a highly creative, powerful, and extraordinary demographic – courageous, enlightened and willing to fight for what they believe in. We need to unleash their potential.**

**Elizabeth Isele. Founder and CEO, Global Institute for Experienced Entrepreneurship.**



## FOREWORD

Population ageing is an unprecedented demographic change occurring worldwide. New Zealand's response to this challenge has taken on more urgency over recent decades with Government policies and strategies designed to address key issues arising from an ageing society. One crucial area of focus has been workforce and employment. Ageing societies mean ageing workforces. As the proportion of older people in the New Zealand population grows, and that of younger workers decreases rapidly, there is greater demand for more older people to remain in the workforce for longer.

In 2020 New Zealand had the third highest labour force participation rate of older workers aged 55 to 64 in the OECD (at 79%) reflecting the impact of public policies such as the removal of compulsory retirement and legislation to discourage age discrimination. However, there are also significant numbers of older workers registered as job seekers. People aged 55 to 64 comprised 21.6% of those registered in March 2022 compared to those aged 18 to 24 years (19.6% of those registered as job seekers). In addition, work participation rates decline rapidly after the age of 65 once individuals become eligible for NZSuper (44.5% for those aged 65 to 69, and 24.8% for 65+).

Why is there so much underutilised workforce capacity among older people? First, older people seeking employment commonly face barriers including age-based discrimination, despite legislation discouraging such actions. Second, many older workers may be forced

out of work prematurely due to redundancy or disability or their job prospects may be limited by personal circumstances such as caregiving responsibilities. Third, for workers wishing to remain in employment beyond pension eligibility, the factors that disadvantage older workers under 65 years also deter workers wishing to extend their working lives. Fourth, many older workers are underemployed; that is, they have too few hours (involuntary part-timers) or feel that their skills are underutilised in their current position. Thus, despite the current discourse emphasising the importance of older workers to the economy, and some legislative provisions, older workers still encounter barriers to entering and remaining in the workforce.

The focus of government policy to address these challenges is the recently launched Older Workers Employment Action Plan (OWEAP), one of seven Action Plans that support the Government's

Employment Strategy. This plan focuses on people aged 50+ and the actions centre around training and upskilling, finding and staying in work, supporting employers to be more inclusive of older workers, and planning for the opportunities of an ageing workforce. While the action plan addresses issues faced by employees and employers, there is little to offer those older workers who would like to start a business – and as the title of this current report notes – this is an unrealised opportunity.

Starting a business later in life, senior entrepreneurship, offers an alternative pathway to maintain and extend the working lives of older people. There is international evidence that senior entrepreneurship is one of the fastest growing sectors of entrepreneurship and the field has attracted considerable research interest. However, there has been limited local investigation of this phenomenon and we lack hard empirical evidence of the New Zealand situation to assist in developing policy recommendations to promote entrepreneurship in older segments of the population. The *Senior Entrepreneurship in Aotearoa New Zealand* study seeks to address the scarcity of focused research in this area. The research findings presented in this report represent a culmination of data collected through multiple methods including targeted survey data, in-depth interviews, focus groups and community workshops. Situated within the context of the national and international literature and augmented by official statistics, the findings represent the experiences of a diverse group of older people who have considered or started a business later in life. The findings provide valuable information on the unique challenges and opportunities faced by older entrepreneurs in Aotearoa and a better understanding of how policymakers can offer more suitable and directed support for senior entrepreneurs.

While the ageing of the workforce is often conceptualised as a problem, there are in fact opportunities and benefits to all of society in maximising the participation of older New Zealanders in the workforce. Older workers contribute to the economy by addressing labour shortages and facilitating the transfer of skills and knowledge. Contributions to society by older workers also have economic and psychological benefits for the individual. Promoting senior entrepreneurship through targeted policy

development provides an opportunity to recognise and realise these benefits.

The findings in this report will not only inspire those contemplating starting a business later in life but will also serve as an action plan on how government and non-government agencies can support and foster entrepreneurial activity later in life to realise the untapped and underutilised resources of an ageing workforce.

*Professor Fiona Alpass*

*Professor Christine Stephens*

# EXECUTIVE SUMMARY

The world's population is ageing, people are living longer and they are remaining in paid work longer through choice and increasingly from necessity. Over the past twenty five years we have witnessed the emergence of a new group of business start-ups - senior entrepreneurs - venturers who are starting a business for the first time after the age of fifty.

Since 2006, Massey University has, through the Health, Work and Retirement (HWR) programme, drawn our attention to what it means to age in Aotearoa New Zealand. The Senior Entrepreneurship in Aotearoa New Zealand study is part of a wider research programme, **“Maximising Workforce Participation for Older New Zealanders: Opportunities, Challenges and Prospects”** which commenced in 2017 and is funded by the Ministry for Business, Innovation and Employment (MBIE). The entrepreneurship study involved in-depth interviews with people from across Aotearoa New Zealand who had started a business, or were thinking about it, since the age of fifty. Official statistics were analysed as was HWR data. Regional workshops and focus groups were held, the international literature reviewed and discussions were held with people in the wider innovation eco-system.

This research seeks to understand senior entrepreneurship in Aotearoa New Zealand and to answer the questions; how many people are making this shift, why are they doing it (when in the past retirement was often the next step), what types of business are they starting and what are the barriers and rewards they experience? The research also poses the question; who would like to start a business if they could but don't? The reasons for not starting a business may include a lack of confidence, an inability to penetrate their local innovation eco-system for advice, support or financial capital, or the more pernicious effects of ageism, both self-directed - 'I am past it' - or arising from structural factors. The research concludes by arguing for a more inclusive approach to entrepreneurship that recognises the potential of seniors to be entrepreneurs, the disparate motivations of those exploring this option later in their working lives, their life stage needs and their unique starting points.

Across the developed world, measures to extend the working life of individuals by disincentivising early retirement and supporting the decision to remain in or re-enter the workforce have been advocated and introduced. Many governments in the face of a growing ageing population and shrinking traditional working-age populations, have introduced a range of policy initiatives designed to keep people working longer. New Zealand, while having a relatively high participation rate of people over 50 in the workforce, has not actively developed policies or funded targeted services in the way in which Australia, Europe, the USA and Canada have. This research provides a series of vignettes from these jurisdictions and calls for action that will more actively support this emerging population and capitalise on what would appear to be an unrealised opportunity.

While any person seeking to start a business or commercialise intellectual property faces a range of similar challenges, those doing this after careers of 30 – 40 years, or seeking to re-enter the workforce after a protracted absence, face unique challenges. They may have experienced redundancy or the dispiriting quest to get back into employment. Equally, there may have been a career inflexion point or life event which had them taking a new direction. This research argues for targeted services and support that recognises people's unique starting points. A major finding of our research was that people simply did not know how to access the services that were available and if they did, the fit with their needs wasn't always evident. Hence the argument for more inclusive and responsive innovation eco-systems at a local, regional and national level

This research prioritises five areas for action. First, the imperative to build an evidence base and develop policy that recognises the unrealised opportunity of senior entrepreneurship. Secondly a call to modernise the narrative on ageing and



to create options for people as they age. There also needs to be a more deliberate focus on life stages with improved access to advice. Fourth, the research argues for learning that supports people as they navigate a longer life with the delivery of customised programmes. Finally, there is a clear need to strengthen and build more collaborative and inclusive local innovation eco-systems.

It has long been recognised that being actively involved in society and having a sense of purpose contributes to positive ageing. For many - not all - starting a business will contribute positively to a better later life.





# 1

## INTRODUCTION

“

It just suddenly became 'I didn't want to be 60, and doing this job.

Linda 65



For some the catalyst to start a business can be a career inflexion point or a life event. After a long career with one of New Zealand's large companies Linda, at the age of 60, took a new direction. A lifelong interest in collecting New Zealand art led to the establishment of a successful art dealership. She reflected *"You go to Paris and you can be an 82 year old art dealer, if you want. So, I think that's why I got into art. It has no upper age limit. When you want and if you want to do it, you can keep doing it for as long as you want."*

It wasn't easy, there were challenges and it was hard work, especially juggling care responsibilities for an elderly mother. *"I'm not a person of excuses. You know, I think you make or break your own success."* As for advice for those thinking about this option, *"Be flexible, in what and how you think, and how you think the future's going to be, otherwise you'll wind yourself into a big hole, if things go wrong."*

“

*It wasn't so much my age, it was more, 'do I want to be in an operating theatre for the rest of my life? Is there something else I would like to do more?' Amanda 67*

After over 30 years in an operating theatre Amanda took a new direction and retrained as a counsellor. At the age of 53 she completed a 3-year diploma. Her preference would have been to gain employment. That wasn't to be, so she rented a room from a colleague on her day off and built up a counselling practice that she ran for 14 years. Her retirement was precipitated by her husband's retirement from his vocation and relocating to a new town. Her advice for others - *"Go for it. But, do your sums."*

“

*You actually have to learn to really jump off the end of the diving board into the unknown. So - yes you can do a lot of preplanning and you can have all the right things, but you actually have to open the door one day, you have to jump out. You have to jump out and it's what pushes you out the door that counts. Philip 64*

After a personal tragedy and facing exhaustion in his work Philip took a sabbatical, picked up his brushes after 30 years and went to art school in his 60s. This reactivated a passion from earlier in his life. Approaching 70 he is now a recognised artist with no intention of retiring, why would you? Philip's advice, *"If you've got a little bit of a candle burning away in the background, you want to do your own thing, then go and do your homework... meet as many people who are already doing it... hear the stories of how they've got off the ground in their enterprise. Just take up everything that's going, there is so much free stuff."*

“*Don't be a boomer, but I haven't got heaps of money in the bank, I've still got a mortgage and a few bad decisions along the way... James 67*

After a successful career working for big engineering firms around the world it was the convergence of a number of life events; a life threatening illness, alcoholism, broken relationships and living in a 'wet building' that necessitated James, at the age of 65, starting a business in his garage as an independent contractor providing services to a select group of clients.

*"My good life is estimating, it is good, it is stressful, it is time driven, but it's very satisfying when you win a new job. You look at it, you process it, you try and price it and the thrill of winning. I can't let go of that."* Very much a case of 'needs must' as the aged pension wasn't going to meet his outgoings and *"playing bowls didn't appeal"*. Now close to 70 James doesn't see himself retiring *"I see the future playing out no different to what it is now. Sometimes you are doing 40-50 hours a week, other times you're doing 20 hours a week."* His advice - *"Use and nurture your previous contacts"*.

”

Everyday people are starting businesses, they always have and will into the future. What is different is that over the last twenty-five years we have witnessed a growth in the number of new businesses being started by people later in life. People over the age of fifty venturing into the world of business often after a thirty or forty year career as a project manager, labourer, banker, public servant, nurse, senior executive, teacher...

Official statistics have not caught up. We don't know exactly how many are making this late career move to self-employment, why they are starting a business for the first time, the types of businesses being established, their learning and support needs or business survival rates.

The Senior Entrepreneurship in Aotearoa New Zealand study was undertaken with clear objectives; the creation of policy, programmes and interventions that will support later life entrepreneurial activity, contribute to economic growth and foster positive ageing. To be able to develop programmes and policy we needed to answer the questions outlined above; who, why, what and how. This study attempts to do this. We interviewed forty three people who had started a business later in life or were considering this option. We ran regional workshops and focus groups, reviewed the international literature and talked with key people in the innovation ecosystem.

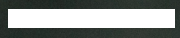
Alongside this full report stands a 'non-technical' edition, **"Starting a Business in Later Life"**, intended for the general public, for those thinking about starting a business, and for readers wanting a quick overview of the research findings.

Also available is an animated video **"Starting a Business in Later Life"** which summarises the key findings on why people start businesses later in life and offers relevant advice. An online self-assessment tool has been developed for those exploring this option. Information sheets are also available from the website [www.betterworkinlaterlife.co.nz](http://www.betterworkinlaterlife.co.nz).





# 2



## SENIOR ENTREPRENEURSHIP THE DEMOGRAPHICS



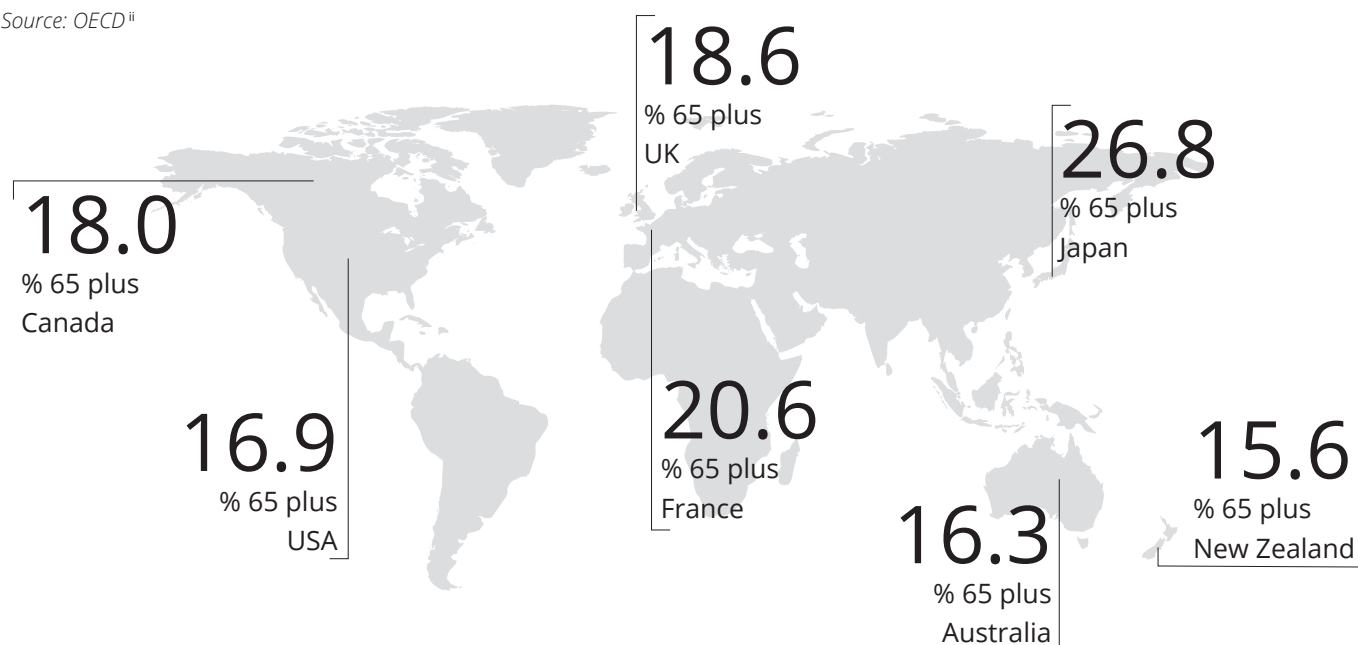


## 2.1 POPULATION AGEING

Globally the population aged 65 and over is growing faster than all other age groups. By 2050 one in six people will be over age 65 (16%), up from one in eleven in 2019 (9%). The number of people aged 80 years or over is projected to triple, from 143 million in 2019 to 426 million in 2050. Declining fertility and increasing longevity are the twin drivers of population ageing globally (WHO 2021). Migration has also contributed to changing population age structures in some countries and regions, including New Zealand. In 2020 15.6 per cent of New Zealand’s population was aged 65 and over, it is projected to reach twenty-one per cent by 2034.<sup>i</sup>

**Figure 2.1 Percentage of Population aged 65 and over in 2020**

Source: OECD<sup>ii</sup>



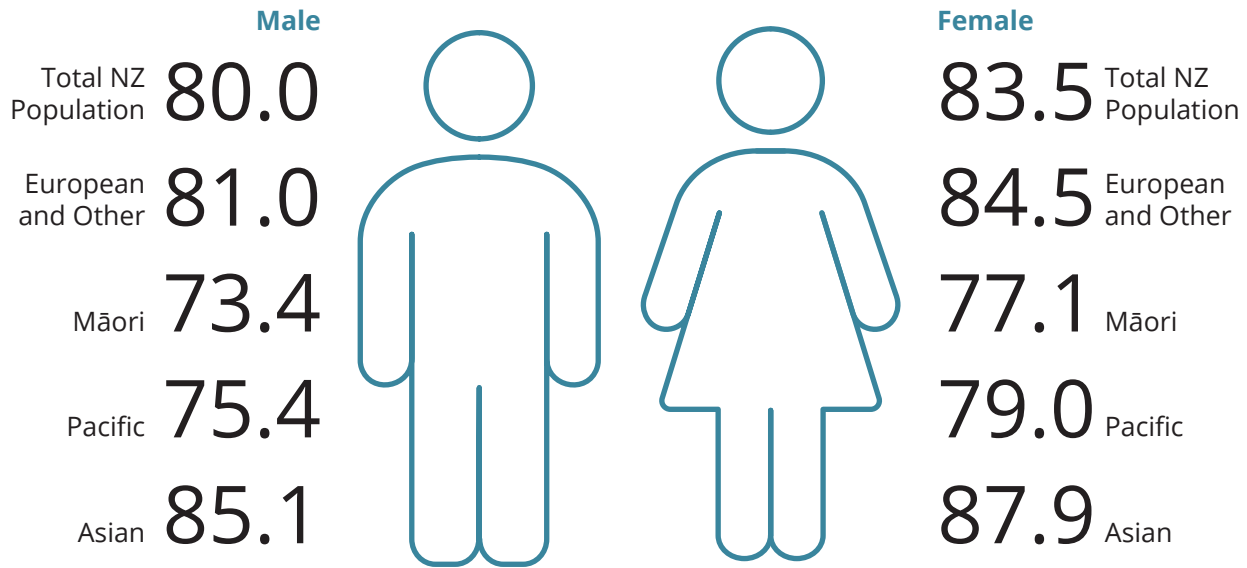
Of relevance to this study are two major demographic and social trends; increasing life expectancy coupled with improved health status and secondly the desire, and in many cases, the need, to extend the working life beyond the traditional age at which people exited paid work.

Life expectancy at birth In New Zealand over the period 1900 to 2018 increased by 22.6 years for males and 23.5 years for females. By 2018 life expectancy at birth for males had reached 80 and for females 83.5 years. For Māori and Pasifika average life expectancy rates at birth have historically been lower.

In 2017–2019 life expectancy for Māori males at birth was 73.4 years and for Māori females 77.1 years. The gap between Māori and non-Māori life expectancy at birth narrowed from 9.1 years in 1995–97 to 7.5 years for males and 7.3 years for females by 2017–2019.<sup>iii</sup>

### Figure 2.2 Life Expectancy at Birth by Ethnicity

Source: Stats NZ<sup>iv</sup>

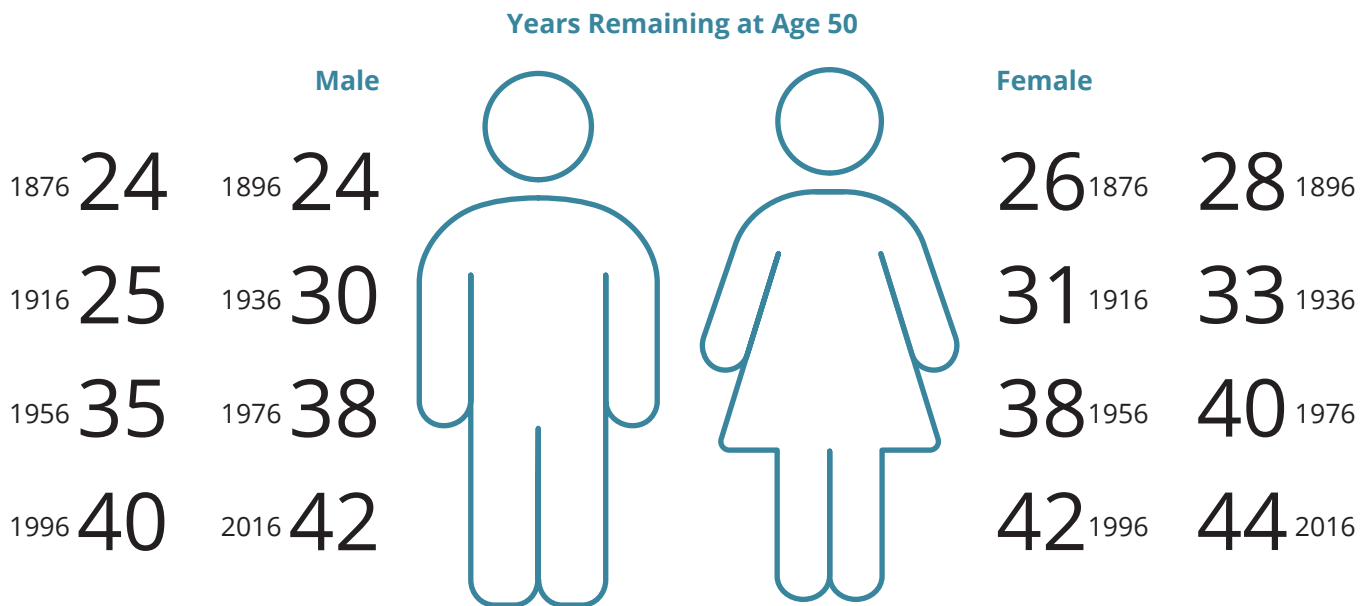


In discussing the participation of older workers in the labour market, more significant than life expectancy at birth is life expectancy at age 50. A male born in 1966 (aged 56 in 2022) can, on average, expect to live to age 87 and a female to age 89. If born in 1976 (aged 46 in 2022) a female could expect to live to 90 and a male to 88. It is

increasingly the case that at age 60 a person may only be two thirds through their anticipated life span. The question for individuals then becomes ‘how do I wish to construct and navigate the later third of life and what is the place of work, be it paid or voluntary?’

### 2.3 Life Expectancy - Years Remaining at Age 50

Source: Statistics NZ

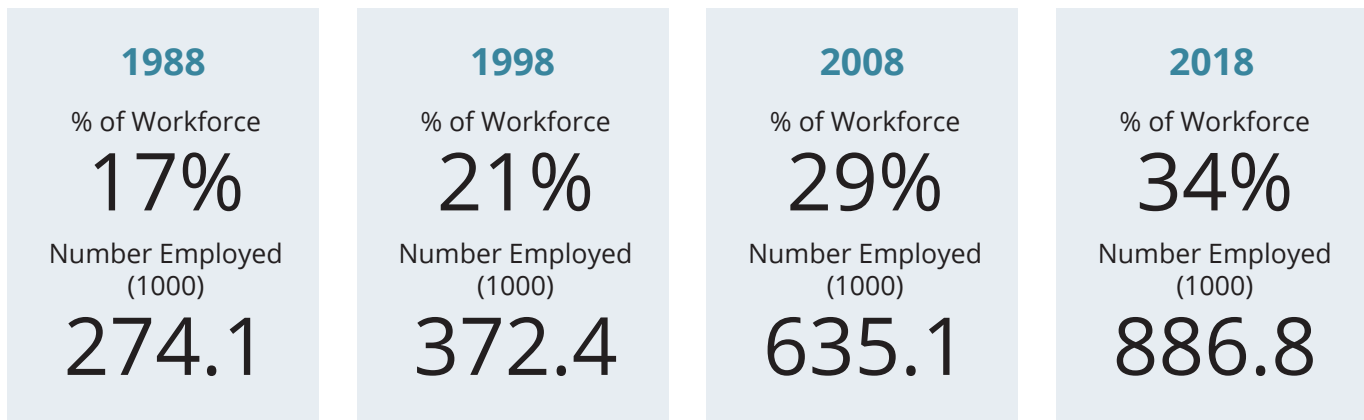


## 2.2 WORKFORCE PARTICIPATION

New Zealand has traditionally had one of the higher levels of workforce participation by older people in the OECD. Using the latest data available to the OECD, New Zealand in 2020 was ranked 3rd equal with Japan for the participation of people aged 55-64 at 76.8 per cent of the age group, behind Sweden (77.6) and Iceland (79.3). The OECD average is 60.4 per cent.<sup>v</sup>

**Figure 2.4 New Zealand Workforce Aged 50 plus**

Source: Statistics NZ



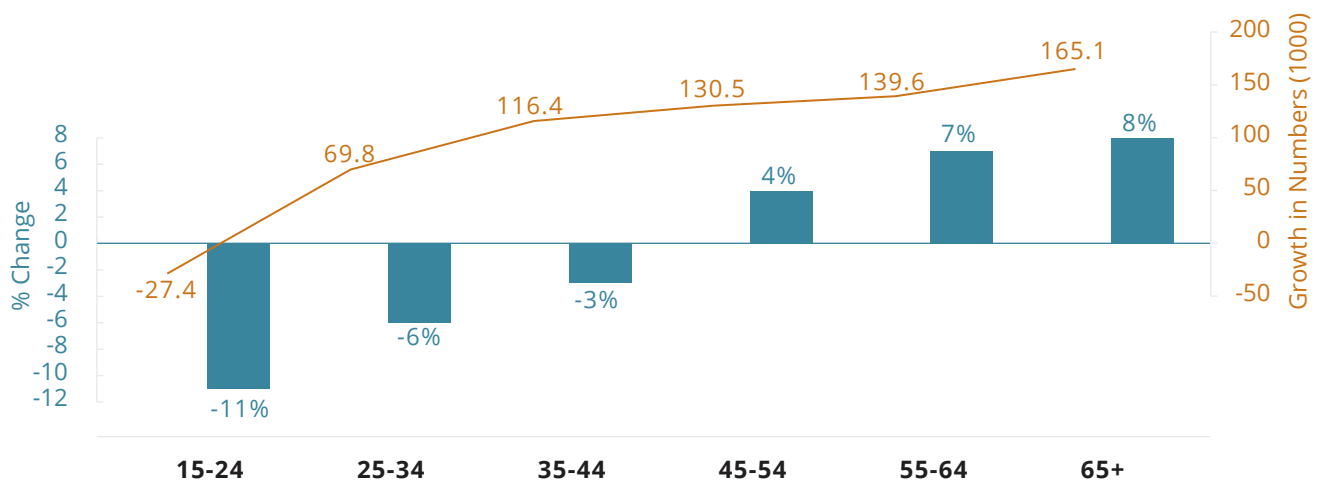
The New Zealand workforce is continuing to undergo a significant re-shaping driven by demographic change. From the 50 plus age group comprising just 17 per cent of the workforce in 1988 it had grown to over 34 per cent by 2020. While the percentage of the workforce aged 50 plus is not projected to change significantly through to 2038 the number of people in this age group participating in the workforce will grow from 890,800 in 2020 to an estimated 1,127,610 by 2038.

Over the period fifty-year 1988 to 2038 we will see 27,400 fewer workers aged under 24 while at the other end we will see an increase in those aged 65 plus of 8 per cent or 165,100 additional workers.

We are also witnessing a shift in the way in which people later in life participate in the labour market with a significant increase in the number of people who are self-employed.

**Figure 2.5 Change in Workforce Profile 1988 - 2038**

Source: Statistics NZ





## 2.3 SELF-EMPLOYMENT

Growth in the number of people aged fifty and over who are self-employed has often been reported in the media as indicative of growth in the number of people starting a business later in life (NZ Herald 2017). While a component of the growing numbers will be those starting a business for the first time, the majority will be people who are already self-employed and ageing.

When we analyze the available data on self-employment we discover some interesting insights into age and work. New Zealand is reported by the OECD as having a relatively high self-employment rate compared to other small, advanced economies.<sup>vi</sup>

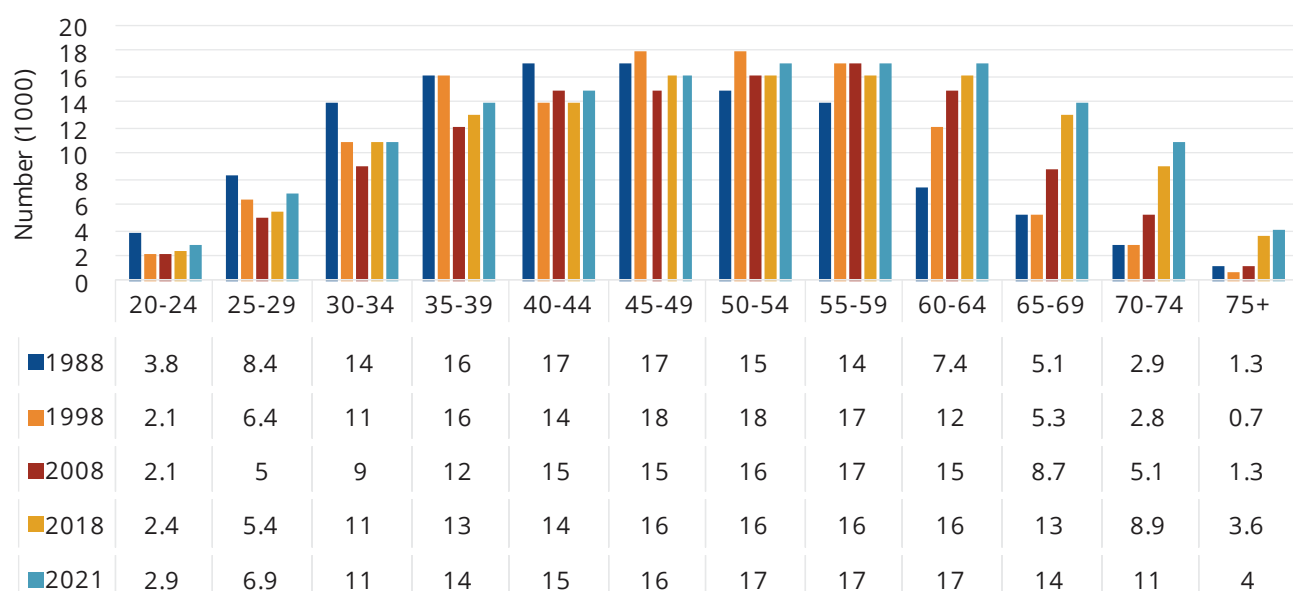
The Household Labour Force Survey (HLFS) collects data<sup>vii</sup> quarterly on people who are self-employed. At June 2021 by far the largest age cohort of people who were self-employed were aged 60 plus, totalling 46,000, followed by those aged 50-59 34,000.

Over the thirty three year period, 1988 to 2021, the number of people who reported being self-employed increased from 121,900 to 145,800, a twenty per cent increase. In 1988 thirty-seven percent of self-employed people were in the 50 plus age group. This grew to 55 per cent by 2021.

Self-employed people are also staying on in work longer, with the number aged 70 plus growing from 4,200 in 1988 to 15,000 by 2021, a 257 per cent increase. We do not know if this has been driven by self-employed people ageing, immigration, population growth or by people moving to self-employment in this age group. The HFLS analysis we undertook did not look at the number of hours worked by age. What we can conclude is that the self-employed workforce in New Zealand is growing and ageing.

**Figure 2.6 Self Employed by Age 1988 to 2021**

Source: Statistics NZ



At the early stages of the COVID 19 pandemic, it was anticipated it would not only affect the way in which people engaged in work, for example working from home, but people would lose jobs with some demographic groups being disproportionately affected.

HLFS data from the first 18 months of the COVID 19 pandemic shows an increase of 8 per cent in the number of people, of all ages, who were self-employed from 136,000 in March 2019 to 147,400 by September 2021. The number of self-employed people aged over 50 grew by 10 per cent (7,200) over this period, compared to the under 50 age group which grew by only 6 percent (3,800).

The HLFS uses a sub-category 'self-employed without employees' which includes people who are starting their own business, sole traders, independent contractors, freelancers, or gig workers.

International evidence suggests that the majority of people starting businesses later in life are self-employed with no employees. Over the period 1988 to 2021 the total number of people reported

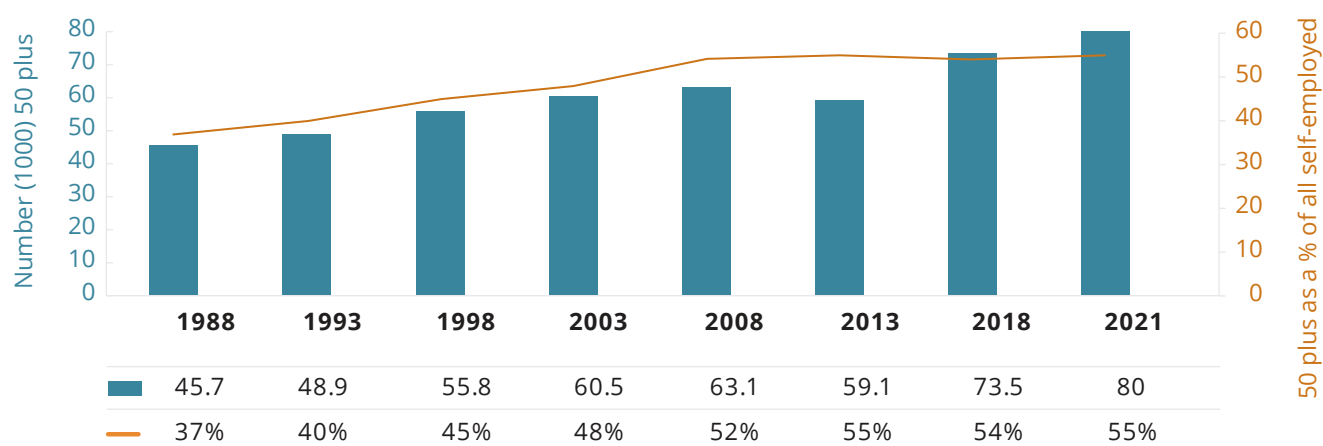
as self-employed without employees increased from 70,400 to 96,000 (36%). The percentage self-employed without employees and aged fifty plus has increased from thirty eight per cent of the total to fifty six per cent of the overall category. Within this cohort those aged 70 plus grew from 2,800 in 1988 to 11,000 by 2021, a 293 per cent increase.

Returning to the COVID 19 related period, March 2019 to September 2021, over this eighteen month period there was an increase of 6 per cent (7,000) in the number of people who were self-employed without employees, from 92,400 to 99,000. The number aged 50 and over grew by 9.7 per cent (4,900) whereas growth in the under 50 group was 1.7 per cent (700).

Self-employment in older age groups of the population is a well-established trend. We are also seeing an extension of the working life beyond the age at which people traditionally retired with an increasing number of people becoming self-employed. Starting a business later in life is now an option being pursued by an increasing number of people.

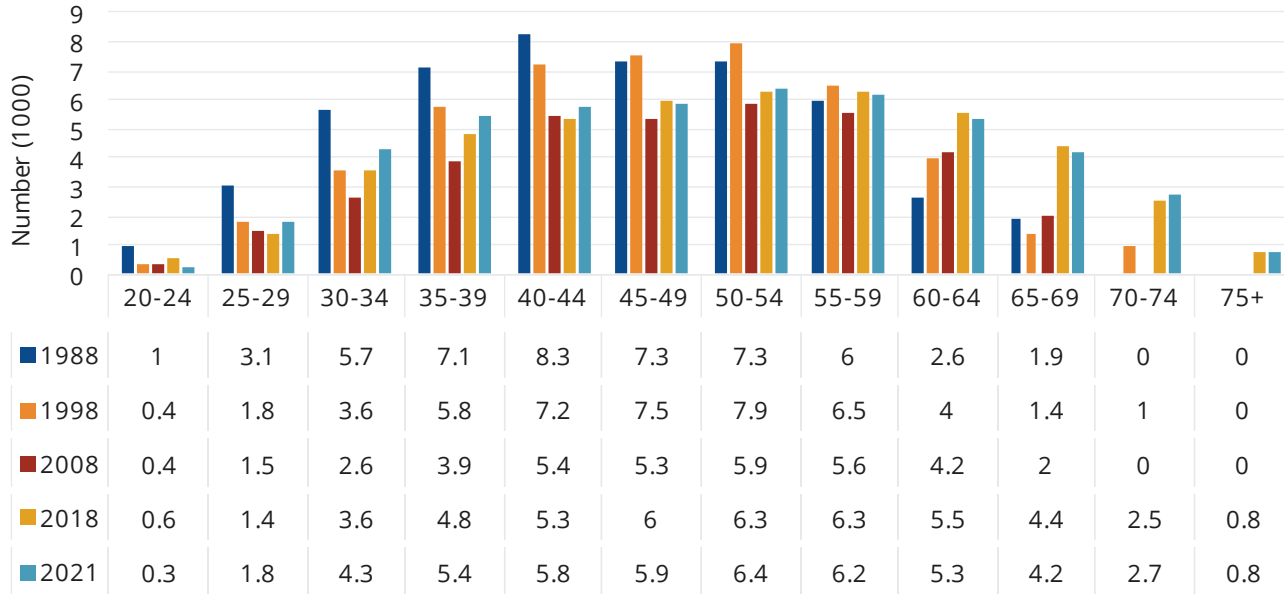
**Figure 2.7 Self Employed Aged 50 plus**

Source: Statistics NZ



**Figure 2.8 Self Employed with no Employees by Age**

Source: Statistics NZ



**Figure 2.9 Growth Self Employed - Without Employees - Dec 2019 to Sept 2021**

Source: Statistics NZ



The demographic shifts taking place, both globally and within Aotearoa New Zealand, have been well documented. It has been suggested (Schurman 2022) that we are experiencing the convergence of two megatrends, declining birth-rates and the extension of the human life span to form what Schurman calls a super-megatrend and the emergence of the 'Super Age'. An era that will be profoundly different to any previous period in human history. The ways in which people engage

with work has evolved over time and will continue to change, not just as a result of new technologies and the emergence of jobs we don't yet know about, but because people will want and need to engage with work in different ways. We are already seeing people staying on in work longer and we are witnessing growth in the number of people who later in life become self-employed and start businesses for the first time.



# 3

## — SENIOR ENTREPRENEURSHIP THE LITERATURE





## 3.1 GLOBAL PERSPECTIVES

Research, policy and practice in the field of senior entrepreneurship has emerged over the past two decades mainly in Europe (including the UK), the USA and more recently in Canada, Australia, and New Zealand. In Europe there have been high levels of engagement by government and bodies such as the European Union and OECD. Much of the activity in other regions has been driven by think tanks (such as the Kauffman Foundation), researchers, advocates and practitioners.

Analysis of the literature suggests that the level of engagement with the idea of senior entrepreneurship is mediated by a number of factors;

- **Governments' proactivity or otherwise in advancing policies that extend the working life.** For example, in Australia and the UK policies and programmes have been put in place to extend working lives and to combat long-term unemployment among older workers. Targeted interventions focussed on senior entrepreneurs have followed.
- **The recognition of workforce participation by older people as a social right.** This perspective has informed OECD initiatives and European Union policies and programmes and the work of the Kauffman Foundation<sup>viii</sup> in the USA, and contributed to a persuasive argument for inclusive entrepreneurship including seniors.
- **The nature and extent of income support and health care provision as people age and potentially disengage from paid work.** In New Zealand the universal entitlement to an age pension and healthcare is an encouragement to remain in the workforce and hence, a government response has not been required.
- **Advocacy by researchers, interest groups and individuals.** For example, in the USA the AARP, Kauffman Foundation, Boston College and individual researchers and consultants have supported, informed discussion of, and encouraged support for, senior entrepreneurship.

There is a generalised consensus among those who study senior entrepreneurship that there has been a lack of research investment in this area. While the phenomenon has been studied empirically for several decades, it is only very slowly finding its place as an age-related social concept. Kerr (2019) notes that the growing prevalence of later-life entrepreneurial activity could create an illusion that it is well understood and thoroughly explored within a broad research literature. However, the opposite is the case.

Halvorsen (2017) reflects that we know relatively little about why older adults decide to pursue self-employment in later life, the self-employment experience itself, and individual and societal outcomes. In addition, he observes that we also know little about how age itself is a factor in the decision to pursue this type of work in later life, how age impacts the type of self-employment

pursued, its outcomes, and if and how other factors might mediate the effects of age on self-employment.

Recognising that the opportunities to participate in entrepreneurial activity are not equally distributed across the wider population, advocacy for inclusive entrepreneurship is gaining traction especially in Europe, supported by the OECD, and in the USA by the Kauffman Foundation. What their research shows is that many of the factors that exclude marginalised groups – women, disabled people, minorities, immigrants – may also impact seniors.

## 3.2 IN SEARCH OF A DEFINITION

There is little agreement in the wider literature on a definition of entrepreneurship. Despite this, a number of commonalities have emerged (Ahmed and Seymour 2008). Many definitions recognise the risk-taking role of entrepreneurs; others the role of innovation, or the creation of something new, whether that is a process, product or a service. All largely agree that at its simplest, entrepreneurship is the creation of a new venture combining innovation, risk and proactivity.

When we add age to our understanding, then the simplest conceptualisation of a 'senior entrepreneur' is an individual aged 50 or over who, for the first time, seeks to generate value, through the creation of a new venture, by identifying and exploiting new products, processes or markets. This narrower definition excludes those who may have started a business earlier in life and have now reached the age of fifty and those who as older employees innovate within an established business.

The terms 'entrepreneurship' and 'self-employment' are often used interchangeably in the literature. However, these constructs have important differences. Starting with self-employment as a broad concept, Pitt-Catsoupes et al. (2017) identify four major types of activity engaged in by the self-employed: consulting, small business ownership, entrepreneurship, and social entrepreneurship. Halvorsen and Morrow-Howell (2017) tease this out further suggesting that older entrepreneurs can be defined as acting in an innovative manner to pursue new opportunities, whereas self-employed people simply work for themselves. So, rather than equating self-employment and entrepreneurship, Halvorsen (2019) argues we need to think of older self-employed people as being on a continuum from 'not at all entrepreneurial' to being 'highly entrepreneurial'. This would suggest, as does Pitt-Catsoupes et al. (2017), that senior entrepreneurs are a sub-category of the self-employed and, in addition to age, what differentiates them are characteristics most widely accepted of an entrepreneur namely; innovation, risk taking and proactivity.

There has been an array of terms used by researchers and advocates over the past twenty years to describe this population of people who start a business for the first time later in life (Luck, Kraus, and Bouncken, 2014). The term that has become widely accepted internationally is Senior Entrepreneur.

### Figure 3.1 Nomenclature

Senior Entrepreneurs  
 Third Age Entrepreneurs  
 Second Career Entrepreneurs  
 Late Career Entrepreneurs  
 Early-Retiree Entrepreneurs  
 Post-Career Entrepreneur  
 Seniorpreneurship  
 Older Entrepreneurship  
 Elderly Entrepreneurship  
 Early Retiree Entrepreneurship  
 Grey Entrepreneurs  
 Silver Entrepreneurs

Just as there is an emerging agreement on nomenclature, we also see a general consensus emerging as to age, with 50 plus applying not only to senior entrepreneurship but to mature aged employment more broadly. The designation of an 'older worker' as 50 years of age or over is widely adopted by most global organisations including AARP (USA), CARP (Canada), OECD and many governments including Australia and New Zealand.

In this research we have used the term 'senior entrepreneur' and the generally accepted age range of 50 plus. When interacting with interviewees in this research and participants in the workshops we used the phrase 'later life entrepreneurship' suggesting there is no hard and fast age at which suddenly one becomes a senior entrepreneur. We adopted a life stage approach that recognises a degree of fluidity.

### 3.3 WHY PEOPLE START A BUSINESS LATER IN LIFE

Why people in later life move from working for an employer to starting a business has exercised many researchers. The bulk of the research has focused on those who have successfully made the transition and asked, 'why did they take this route?' Fewer researchers have considered why a wider population may be interested in making such a move, but ultimately do not realise their intention. Answering both sets of questions has important policy implications as governments seek to extend people's working lives, promote active ageing and address issues of equity and inclusion in the labour market. It also has important programmatic implications if business support agencies are to engage with a population of actual and potential senior entrepreneurs, innovators and business owners.

The dominant explanatory model adopted in the literature to explain the motivation for later life entrepreneurship is the **Push-Pull approach**.

**Figure 3.2 Push – Pull Factors**

Push Factors	Pull Factors
<ul style="list-style-type: none"> <li>• insufficient income when working for an employer.</li> <li>• unhappiness with the current job.</li> <li>• long-term unemployment.</li> <li>• increasing age discrimination in hiring and/or with the existing job.</li> <li>• job loss.</li> <li>• lack of continued training and professional development.</li> <li>• lack of goals.</li> <li>• no freedom of decision in the workplace,</li> <li>• a poor work environment.</li> <li>• threat of unemployment, forced or premature retirement.</li> <li>• inadequate expected pension payments.</li> </ul>	<ul style="list-style-type: none"> <li>• freedom and autonomy.</li> <li>• better earning opportunities.</li> <li>• the chance to take advantage of a business opportunity.</li> <li>• flexibility with working schedules.</li> <li>• the desire to have a fulfilling job.</li> <li>• a family business background.</li> <li>• chance to test their own abilities and experiences.</li> <li>• the realisation of a long term ambition or return to an earlier interest.</li> </ul>

In a discussion on later life entrepreneurship as a means of contributing to active ageing, Gimmon et al. (2018) have adapted the push/pull framework, locating it more deliberately in a gerontological context. They use the term, 'Gero-pull' to represent the intrinsic age-related motivators – these may include personal interest, fulfilling a dream, self-fulfilment, and the need for meaningful activity. 'Gero-push' motivators on the other hand refer to extrinsic factors - income support, a need for an occupation, economic needs, and the garnering of appreciation from friends and family.

A second framework differentiates between **Opportunity entrepreneurship and Necessity entrepreneurship**. This framework is used by GEM (Global Entrepreneurial Monitor<sup>ix</sup>), an organisation established in 1999 to study entrepreneurship. Opportunity entrepreneurs are those who may be able to obtain employment, but choose to start a venture. Necessity entrepreneurs on the other hand are forced into self-employment because all other alternatives are either unsatisfying, insufficient or unachievable. Amoros et al. (2013) found that opportunity entrepreneurs were likely

to have greater personal financial resources, higher education, and more extensive business networks. They also tended to start larger, better-planned, and ultimately more successful businesses. The necessity entrepreneurs had fewer options and tended to start small businesses with minimal financing.

In a third approach, Singh and DeNoble (2003) developed a taxonomy that identified three types of entrepreneurs; the constrained, rational and reluctant entrepreneurs.

These frameworks all recognise that one of the precipitating factors for starting a business for the first time later in life can be redundancy. However, despite the frequency and impact of redundancy for individuals, few studies have looked at this phenomenon in-depth. A UK qualitative study (Stirzaker et al. 2017) interviewed twenty people who as a result of redundancy had established businesses. It was found that, while experiencing grief from the early cessation of a career they anticipated would take them to retirement, entrepreneurship provided an opportunity. This

was less about becoming self-employed and more about a lifestyle that offered a greater degree of independence. While none of the businesses they established were high value or growth oriented, the contribution to the lives of participants was described as substantial and positive; a silver lining.

Much of the research into why people start a business at any life stage is undertaken with entrepreneurs who have already established a venture or engaged with entrepreneurship in some way. Few researchers have considered why those who may be interested in making such a move do not make it and what policies and programmes could have ensured improved equity of opportunity.

In a relatively unique study, Halvorsen and Chen (2019) drew on a national survey of 1000 Americans and investigated 'interest' in entrepreneurship among older adults. They found that contrary to many of the assumptions made about who becomes a senior entrepreneur in the USA – white, well-educated, males – that educational attainment was not associated with interest in

### Figure 3.3 Three Types of Entrepreneurs

Source: Singh and DeNoble (2003)

Constrained Entrepreneurs	Rational Entrepreneurs	Reluctant Entrepreneurs
<ul style="list-style-type: none"> <li>• Possess the necessary entrepreneurial tendencies but it was not possible for them to implement them in their previous careers for various reasons.</li> <li>• They are now making up for these opportunities to achieve personal fulfilment and because they now have the necessary resources.</li> <li>• The growth of the enterprise started is not the chief priority, rather the personal goals of the entrepreneur instead.</li> </ul>	<ul style="list-style-type: none"> <li>• They have compared their current situation with an entrepreneurial activity and made the decision to become self-employed.</li> <li>• Self-fulfilment or achieving a lifelong dream is not the main issue for these entrepreneurs.</li> <li>• The chance to increase their income and maintain their standard of living in their later years is key.</li> </ul>	<ul style="list-style-type: none"> <li>• They are forced into self-employment due to losing their job and because there is no employment to be found in their field.</li> <li>• Their pension may not be sufficient to maintain their current standard of living.</li> <li>• Reluctant entrepreneurs do not have extensive entrepreneurial tendencies, nor do they have grand ambitions of taking significant risks.</li> <li>• They mostly operate in the industry where they were previously employed.</li> <li>• They are not aiming to fulfil a lifelong dream or achieve self-fulfilment, but instead would simply like to have an income.</li> </ul>

### Figure 3.4 Seven Pre-conditions for Entrepreneurial Action

Source: Wilson N, L Martin (2015)

External Factors or Combined Capabilities	Internal Factors or Personal Capabilities
<ol style="list-style-type: none"> <li>1. The possibility of combining existing resources to create something new or innovative.</li> <li>2. The possibility of a market transaction or exchange in an existing market.</li> <li>3. The possibility of making a profit or adding value from the transaction. You can have an idea for a potentially novel product, but if there is no possibility of either accessing or combining the required resources, or exchanging the product through some kind of transaction and making a profit, then the idea will remain just a possibility, not the freedom to pursue entrepreneurship</li> </ol>	<ol style="list-style-type: none"> <li>4. Entrepreneurial reflexivity. Without the ability to reflect and take action, an individual will not 'spot' or 'develop' any opportunity.</li> <li>5. Entrepreneurial performance. This involves action and doing, not just talk.</li> <li>6. Entrepreneurial creativity. A distinctive condition of entrepreneurship, given the focus on novelty and value.</li> <li>7. Entrepreneurial intent. Just having the freedom to pursue entrepreneurship is insufficient, they must also have intent.</li> </ol>

entrepreneurship. Older women were less likely to be interested than older men. Older adults who identified as black were more likely than those who identified as white to be interested in entrepreneurship and that interest was at its peak at age 50 and declined slightly with every subsequent year. They suggest that considerable latent potential exists within diverse communities.

Individual and contextual antecedents can also influence the decision to start a venture in later life (Halvorsen 2017). Contextual factors include family, community, societal and economic characteristics. Individual factors include age, life stage, sociodemographic status, human, social and financial capital, work history, perceptions of future time, personal preferences, values, personality and risk tolerance. It is the interaction of these variables that influence decision-making and impact on the outcomes for individuals and society. This suggests we need to understand the complexity and interaction of these factors better if we are to see growth in participation and ensure equity of opportunity.

The assumption is also often made by policymakers and service providers that the majority of individuals have choice in pursuing or developing an entrepreneurial opportunity or a bright idea and that any blockages are most likely personal in nature. There is now a growing body of research that asks how many members of society don't have the opportunity to pursue entrepreneurship. Who

is excluded and why? Wilson and Martin (2015) argue that having the freedom to choose to pursue and develop an entrepreneurial opportunity is crucial and that for many individuals structural and or personal factors may deny them this opportunity.

Having started this section examining the dominant explanatory frameworks for why people pursue entrepreneurship in later life, we have concluded by asking, who else could and if not, why not? These questions suggest that entrepreneurship policy should not only be concerned with the interests of emerging or practising senior entrepreneurs, but also take into account the creating of an environment where all individuals can pursue this option if they desire.



## 3.4 ACTIVITY RATES

Establishing the level of start-up activity is reliant on the existence of robust datasets. The primary source of data globally has been the Global Entrepreneurship Monitor (GEM) dataset. When we attempt to establish the activity rate for New Zealand we are confronted with two limiting factors. Since 2005, New Zealand has not participated in the GEM survey. Secondly, New Zealand does not collect official data on the date of birth of those registering a company or voluntarily applying for a New Zealand Business Number. While the Household Labour Force Survey provides data on rates of self-employment by age, it does not provide information on when the respondents first became self-employed or established a business.

A sophisticated study using official data was undertaken by MOTU in 2018.<sup>x</sup> While not addressing the question of actual activity rates it sought to address two other important questions: what characteristics are associated with entrepreneurship and which sorts of entrepreneurs are more successful? On the first question the study found that New Zealand-born individuals are more likely to be self-employed than immigrants, individuals with formal qualifications are more likely to be entrepreneurial, and that individuals with better prior labour market outcomes are also more likely to become self-employed. They also found that the male self-employment rate is proportionately much greater for older individuals, particularly in the ten years leading up to the age of 65. They found there was no part of the age distribution where females were significantly more likely to be entrepreneurial than males.

Turning to the OECD, the proportion of the older working population which is self-employed varies considerably across OECD members. Taking OECD countries as a whole, the pattern is clear; rates of self-employment rise with age for both men and women, with people aged 55 and over five times more likely to be self-employed than people aged 24 and under. On average, 5.1 per cent of men and 3.6 per cent of women aged 15–24 are self-employed, compared to 29.2 per cent of men and 15.9 per cent of women aged 55 and older (OECD 2016).<sup>xi</sup>

Research in Europe, drawing on GEM data, sought to identify the impact of entrepreneurial environments on the activity and survival rates for senior entrepreneurs. Pilkovaa et al. (2014) found marked differences between developed European countries with high levels of senior entrepreneurial activity and developing eastern European

countries with relatively low levels of senior entrepreneurship. They attributed the differences to government policies in two areas: direct government support of senior entrepreneurship, and regulatory and tax policies.

Australia has been cited (Maritz et al. 2015) as having a relatively high level of entrepreneurial activity amongst seniors. This is possibly due to the availability of incentives and support programmes for people of all ages looking to establish a business. In one study, drawing on large national databases, Maritz et al. (2015) identified a total Australian entrepreneurship activity rate of 8 per cent for the age group 55–64, this being approximately 3 per cent above the average for innovation-driven economies.

In turning to the USA, and using the Kauffman Indicators of Entrepreneurship 2020, new business start-ups were highest in the 45 to 55 age category, with the 55 to 65 age group following closely behind. In both age groups the number of new start-ups was trending upward. Kauffman also found that eighty eight per cent of new entrepreneurs in the 55 to 64 age category created a business by choice, rather than from necessity. This was higher than for any other age group (Pozeł 2020).

## 3.5 BUSINESS SURVIVAL RATES

The literature on senior entrepreneurship makes much of the apparent success rates of businesses established by people later in life. The highest success and survival rates in the USA came from founders in middle age and beyond (Azoulay et al. 2018). The authors also found that the fastest growing new firms in the USA, including those in technology sectors or in entrepreneurial hubs, were also founded by middle-aged and older entrepreneurs. Generally, the founders who had closer and longer experience in the industry of the start-up saw substantially greater success rates.

It is a similar picture elsewhere regarding business survival rates, defined as the percentage of enterprise births in a given year that survive into future reference years. A study by Age UK (2012) found that 5 years after business formation, seventy per cent of new ventures established by senior entrepreneurs in the UK were still in operation compared to twenty-eight per cent of enterprises established by younger entrepreneurs (Pilkova et al. 2014).

An OECD study (2019) found that the most common reason for business exits by those aged 50 – 64 across a range of countries<sup>xiii</sup> was that the business was no longer profitable (27.1%). This was followed by personal reasons (17.2%) and retirement (10.5%). Not surprisingly, senior entrepreneurs were less likely than the overall sample population to report that they had exited their business to pursue another job or business opportunity. This would suggest that many persevere regardless of the profitability of the business.

Hence the note of caution: higher survival rates may be influenced by a need to keep a business going, even in the face of poor outcomes, primarily because there are no other options. A younger person might return to employment or pursue another idea. This leads to the observation (Round 2017) that there is a need for better advice on becoming a senior entrepreneur and whether this is the best option for an individual, given the potential financial risk to life savings, home ownership and resources accumulated for retirement.

## 3.6 BARRIERS AND CHALLENGES

We have already explored some of the structural and individual barriers that may prevent a person moving beyond an interest or a bright idea to concrete action relating to entrepreneurship. The literature suggests that seniors establishing businesses can face some very practical barriers and challenges including low levels of financial capital, the opportunity costs of business creation and outdated business networks (OECD 2019). People moving into self-employment or starting a business later in life may also have lower technical skills than their younger counterparts, a reduced tolerance for financial risk, and a shorter time horizon for their business ventures (Isle and Rogoff 2014).

In research undertaken across six European countries, Kenny et al. (2018) identified four main barriers hindering individuals from considering self-employment or translating their entrepreneurial

intention into action; lack of finance, loss of self-confidence, low tolerance of risk and problems accessing relevant stakeholders and support agencies.

### Figure 3.5 Four Barriers to Senior Entrepreneurship

Source: Kenny, Rossiter (2018)



#### FINANCE

Financing a new business and access to micro-finance was a particular problem. Older unemployed people perceive the enterprise support and finance system as favouring younger, higher technology and growth-oriented businesses.



#### CONFIDENCE

Self-confidence in their ability to come up with a business idea and to turn that idea into a viable commercial or social enterprise was an issue. The key component of this loss of self-confidence was the apparent lack of appreciation, relevance or valuing of their life experience and life skills which are transferrable to an entrepreneurial endeavour or a new job opportunity. Aligned with this, many, at this stage of life, seemed hesitant to venture down a solitary entrepreneurial path.



#### RISK

There was a general fear of the loss of the security of welfare benefits, which leads to risk avoidance behaviour and is thus a barrier to entrepreneurship. Where borrowing or finance options were available, there was an unwillingness to take out a loan at a late stage in life; aversion to debt. When it comes to business itself, there was a lack of desire to scale up or take on the responsibility of additional staff. As they aged they were careful with their savings because they were also thinking about retirement.



#### INFORMATION

A frequently expressed concern was access to the communication channels and the information needed to start their own business. Much of the information regarding funding and other business support are on online websites or portals and can be difficult to access in person. Knowledge of incubator centres, finance, or other support services was not immediately evident among older unemployed people and there was a perception that those who are comfortable navigating online sites, IT or social media have a competitive edge over them.

## 3.7 BUSINESS SUPPORT

The assumption often made by government agencies and business support organisations is that if they offer a service, online or face to face, then people will somehow know about it and use it. For many older people who have spent their careers in employment it is unlikely they will be aware of the services available to business owners and emerging entrepreneurs. It therefore cannot be assumed that senior entrepreneurs are engaged with or aware of the business support infrastructure or the innovation ecosystem in their region (Gimmon et al. 2018).

As a consequence, it has been recommended (Round 2017) that well-publicised support for older entrepreneurs and people seeking self-employment needs to be integrated with other small business and start-up support and should include specific guidance for older people. It has also been recommended that this advice include information about the relationship between self-employment and retirement funding options, support for the transition between employment and self-employment and opportunities for peer support and participation in 'senior entrepreneur' networks.

In an Australian study (Maritz et al. 2015) of senior entrepreneurs, there was near unanimous (94%) support for the establishment of networks for connecting with other entrepreneurs. Over ninety per cent of participants also supported the provision of tailored education and training. While seniors had a preference for face-to-face instruction over online training, an integrated face-to-face and online training approach was preferred.

### Figure 3.6 Business Support Interventions

Source: Maritz A et al. (2015)

#### Interventions that

- Break down the barriers caused by negative stereotypes of older people.
- Offer free or reduced-cost education and training in start-ups for seniors.
- Promote special networking events for seniors.
- Offer special tax concessions to seniors engaged in start-up activities.
- Provide specific schemes for seniors to access start-up capital.
- Offer mentor schemes.
- Make available tools to identify people who may be potential entrepreneurs.



Access to training and support that is age specific has been discussed by a number of researchers, given that many older people reported finding events such as 48 hour start-up weekends intimidating. Gimmon et al. (2018) found that participating in age specific training programmes increased motivation, awareness and knowledge of new opportunities in the market and built the participants' sense of self-efficacy and confidence. Kibler et al. (2015) recommend that policy makers create tailored training programmes and entrepreneurial development systems where supporters and coaches can address the diversity of older entrepreneurs' backgrounds and skills, and any emerging barriers. They went as far as recommending that an older entrepreneur should be supported to develop a unique 'game plan' for their venturing activities.

Business counselling, mentoring and personal coaching is consistently recommended by those discussing business support mechanisms. Drawing on wider research into the role of mentoring in business development, Walmsley and Nabi (2020) have developed a set of mentoring propositions to be applied to the particular needs of senior entrepreneurs.

Another factor, not often discussed, is the way in which entrepreneurs think, communicate and are evaluated by their peers and key agencies and the impact this can have on those seeking to join this 'world'. Round (2017) found that how entrepreneurs talk about their motivations and ventures, for example when 'pitching' to investors, is crucial in convincing stakeholders to provide resources. Equally while many older people will have developed strong interpersonal skills during their careers, they have not been equipped for participating in a world where different terminology is used. Many younger entrepreneurs have been exposed to entrepreneurial thinking through secondary and tertiary education and may have developed skills in pitching a business idea. Very little attention has been paid to the actual words that comprise the entrepreneurship narrative, how it has evolved over time, or how individuals learn the 'patter' and avoid the risk of being overlooked and excluded.

## 3.8 ENTREPRENEURSHIP AND DISCRIMINATION

Seniors exploring entrepreneurship and setting up a business for the first time are not immune to ageism and discrimination. Both academic (Kibler et al. 2015) and OECD (2019) research has highlighted how discrimination against marginalised groups, such as the unemployed, ethnic minorities, sole parents, seniors and the disabled can impact their chances of a business idea coming to fruition. Specifically, Kibler et al. (2015) have identified how older entrepreneurs can find it difficult to fit within a dominant innovation culture which frames entrepreneurship as an activity for younger individuals.

The development of the inclusive entrepreneurship movement has largely come out of Europe in an attempt to address growing social inequalities (OECD 2019). In the USA it has been promoted by the Kauffman Foundation (Shaheen 2016) with their focus on social equality. The primary focus of inclusive entrepreneurship policy thinking is to target and support groups that are under-represented or face greater barriers to business creation.

The OECD (2019) identified two primary objectives for inclusive entrepreneurship policies. Both are highly relevant to our discussion of seniors. First, policies and programmes should aim to increase awareness of the potential of self-employment as a labour market activity and build people's motivation and confidence. Secondly, they should address market, institutional and behavioural factors that disproportionately affect and exclude people in specific age groups.

European initiatives have included the Fostering Inclusive Business Incubation and Acceleration programme launched by the European Business Network (EBN) in 2017. This was a three-year programme with the primary objective being to improve and stimulate the provision of business support services to under-represented entrepreneurs across Europe. They found that while many business-support organisations initially claimed they did not discriminate against any type/profile of entrepreneurs, in practice this was not the case.

Senior entrepreneurship is often promoted as an option for older workers who may encounter age discrimination and reduced opportunities to regain employment. However, it is not always recognised that age-related barriers in the early phases of business formation may emerge from family, friends, service providers and other stakeholders.

As a means of countering discrimination and discouragement Kibler et al. (2015) encourage older entrepreneurs to develop strategies for managing social exclusion.

The common aim of inclusive entrepreneurship policies and initiatives is the social justice goal of ensuring that all people, regardless of their characteristics and socio-economic background, have an equal opportunity to start and manage their own business (OECD/European Commission, 2013).

### Figure 3.7 Four Strategies For Minimising Discrimination and Discouragement

Source: Kibler et al. (2015)



#### ACTIVE NEGOTIATION

Engaging with the opinions and expectations of those within the immediate social environment and seeking to influence and modify their discriminating perceptions.



#### PASSIVE NEGOTIATION

Allowing perceptions and beliefs to change over time through people simply gathering more information and observing the entrepreneur's activities. Subsequently, their unfavourable perception can become more positive without direct interventions by the older entrepreneur.



#### MODIFICATION

This strategy proposes that entrepreneurs do not directly or indirectly attempt to shape social appraisals of their businesses, but that they move from negative reference groups to other more positive ones.



#### AVOIDANCE

This strategy suggests that older entrepreneurs find ways to hide or mask certain markers that provoke negative judgments, such as those based on age, appearance or other characteristics, particularly within circles of clients.



## 3.9 INTER-GENERATIONAL ENTREPRENEURSHIP

**Intergenerational entrepreneurship has traditionally been studied in the context of family businesses and the transmission of entrepreneurial intention and knowledge among family members of different generations. While this will remain important, what is new is the emergence of intergenerational co-founder teams as a means of creating and funding new enterprises.**

In Europe, the concept of intergenerational entrepreneurship emerged from the study of underprivileged populations and has been advocated as a way to combine the untapped potential of disadvantaged youth and older people to create programmes and policies that identify the synergies and develop the strengths of each of these groups. Rehak et al. (2017) conclude that the research in both senior and youth entrepreneurship shows clear synergies that can be exploited. They cite three examples; the higher levels of financial capital of seniors as opposed to lack of financial options of young entrepreneurs; their lower energy levels compared to higher dynamism and proactivity; the higher capacity to identify opportunities compared to higher levels of human capital and experience.

The knowledge, experience and social and financial resources of seniors in combination with the dynamism of youth in a well-designed collaboration can be the source of entrepreneurial activity that lowers the odds of failure caused by the weaknesses of each of the two groups of potential entrepreneurs.

Sugarman (2018) likewise argues that, building an intergenerational team of entrepreneurs can tap into the intelligence, skills and social networks each generation has, and also build a strong sense of community. In his view being in touch with each generation is important in order to learn from one another and to develop products and services for diverse markets.

Social entrepreneur Marc Freedman founded ENCORE.org in the 1990's sparking a movement in the United States and beyond to tap the talent and experience of people past midlife as a human resource for solving the world's most vexing social problems. He recognised that increasing numbers of people over the age of fifty were changing direction, retraining, starting business and becoming involved in philanthropic causes (Freedman 2008). His work has been hugely influential globally and has over the past ten years morphed into exploring ways in which to bring the generations together to build intergenerational equity and to address some of the big issues we face as societies' (Freedman 2018).

## 3.10 POLICY INTERVENTIONS

Promoting entrepreneurship among older people is a policy option available to governments for prolonging working lives, stimulating economic activity, reducing older-age unemployment, enhancing the social inclusion of older individuals and contributing to active ageing (Kautonen et al. 2008, Maritz 2015).

There is a broad range of policy interventions that can support development in this field. Summarising them, Kautonen (2013) focusses on four; building awareness, communication, training and mentorship.

**Figure 3.8 Four Areas for Policy Development**

Source: Kautonen (2013)



### AWARENESS

Creating positive awareness of entrepreneurship as a late-career option with the aim of educating not only potential senior entrepreneurs themselves, but also different stakeholder groups (friends and family, customers, financiers) in order to remove negative age-bias as a potential barrier to senior entrepreneurship.



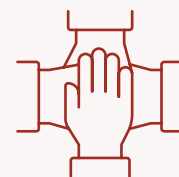
### COMMUNICATION

Avoiding excessive jargon in start-up related information and in the way relevant procedures and regulations are communicated.



### TRAINING

Training enterprise support staff to treat older individuals in an appropriate way, for example acknowledging their experience and avoiding unnecessary business and administrative jargon.



### MENTORING

Encouraging experienced older individuals to get engaged in business mentoring and supporting people at a similar life stage to get a business underway.

Taking a slightly different perspective, the UK Institute for Public Policy Research Report (Round 2017) on extending working lives recommends that policies and interventions should be located within a life course framework. They recommend that 'Life-course Work Centres' offer 'one-stop shop' advice, support and guidance for older people who want to set up a business or become self-employed.

Other initiatives in Europe aimed at stimulating entrepreneurship among older people have included Senior Enterprise<sup>xiii</sup> in Ireland; the MYBUSINESS partnership, funded by the EU, comprising organisations from Austria, Belgium, Greece, Ireland, Romania and Spain; Silver Starters in the Netherlands, Portugal, Italy and Poland; and SEAP (Senior Entrepreneur Action Programme) which has been fully evaluated and written up. (Kenny et al. 2018).

The SEAP programme is of particular interest as it ran over four months and was focused on the development of participants' entrepreneurial skills through tailor-made group mentoring and training, networking opportunities, learning from successful senior entrepreneurs and exposure and support from the local and national enterprise support systems.

In the USA, Elizabeth Isele, a leader in the field, has built on her very successful community workshop programme and established the Global Institute for Experienced Entrepreneurship with a mission to activate a global movement that taps into the experience of people aged 50 plus.





# 4

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## SENIOR ENTREPRENEURSHIP AOTEAROA NEW ZEALAND STUDY



## 4.1 FRAMING THE STUDY

The “**Maximising Workforce Participation for Older New Zealanders: Opportunities, Challenges and Prospects**” study commenced in 2017. This research programme, funded by the Ministry of Business, Employment and Innovation Endeavour Fund, draws on data from the Massey University-based Health and Ageing Research Team’s longitudinal study of ageing – The Health, Work and Retirement study (HWR) - and seeks to answer a crucial question for an ageing population: How can government, employers and workers maximise older New Zealanders’ participation in the workforce?

The broad scope of this project required the creation of five focussed Work Packages (WP).

- WP1** WP1 focused on workers by using the HWR data, a population representative cohort, with an oversample of Māori, which has been surveyed biennially since 2006.
- WP2** WP2 used mixed methods to focus on the reconciliation of work and care responsibilities at individual and organisational levels.
- WP3** WP3 investigated the emergence of and support for older entrepreneurs, the subject of this report. This study comprised 4 sub-projects. A Kaupapa Māori project with senior Māori entrepreneurs was also undertaken.
- WP4** WP4 focussed on employers through organisational case studies with a representative set of businesses.
- WP5** WP5 builds on the results of the previous four Work Packages to develop, in partnership with stakeholders, evidence-based tools, workshop materials, and management strategies for implementation by the end-users.

## 4.2 INVESTIGATING SENIOR ENTREPRENEURSHIP IN AOTEAROA NEW ZEALAND (WP3)

This project comprised four sub-projects.



### 4.2.1 WP3.1 Comparative quantitative analysis

Data from the 2018 wave of the HWR longitudinal study was used to identify 1938 people who were 'not retired' at the time of the survey (48.9% of total survey respondents). The analysis compared people who, after the age of 55, have either remained in an employment relationship with those who had established a business.<sup>xiv</sup>



### 4.2.2 WP3.2 In-depth interviews

In-depth interviews were conducted with twenty people who had started a business after the age of fifty. Data from the 2018 wave of the longitudinal study was used to identify potential interviewees by inserting into the questionnaire the question, 'Have you personally started a business after the age of fifty?' This produced 310 potential interviewees. An initial review was undertaken, followed by telephone screening to ascertain eligibility, willingness and availability. The selection process aimed to achieve a balanced cohort taking into account age, gender, ethnicity, educational attainment, the types of enterprise and location. Twenty in-depth face-to-face interviews were carried out by the two main researchers in the second half of 2019.



**Figure 4.1 In-depth Interviews – Interviewee Profile**

**Number of Interviewees**



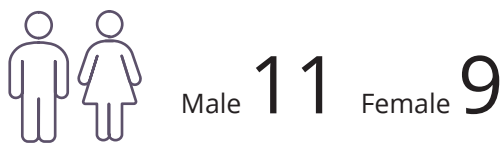
**Field of Business**

- |                        |                      |                     |                               |
|------------------------|----------------------|---------------------|-------------------------------|
| Auto Certifier         | Orchardist           | Food Manufacturing  | Consulting                    |
| Music Production       | Film Production      | Wellbeing Education | Counselling                   |
| Business Consultant    | Cost Estimating      | Engineering         | Artist                        |
| Textiles Manufacturing | Science Communicator | Publishing          | Art Gallery                   |
| Agribusiness           | Gardening            | Radio Technology    | Technology & Land Development |

**Industry Classification**

- |                 |                                      |                           |                     |
|-----------------|--------------------------------------|---------------------------|---------------------|
| 2 Manufacturing | 7 Professional, scientific technical | 3 Healthcare & Assistance | 2 Arts & Recreation |
| 1 Retail Trade  | 2 Agriculture                        | 3 Other Services          |                     |

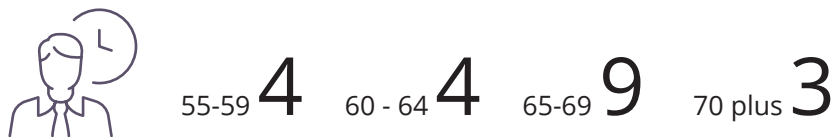
**Gender**



**Ethnicity**

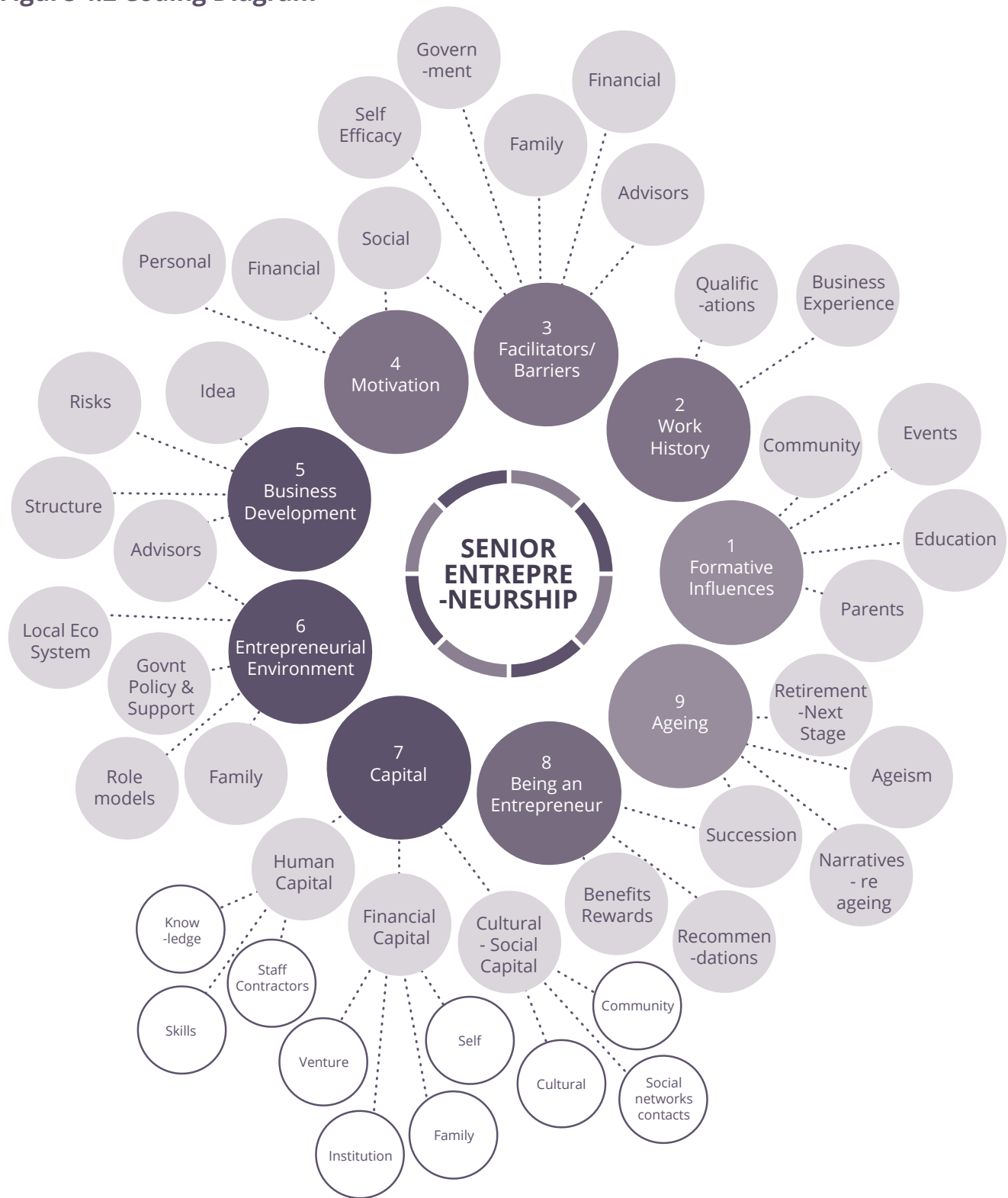


**Age**



The interviews were recorded, transcribed, coded and thematically analysed using NVivo12. A coding diagram was developed for the purpose of analysing the interviews based on a literature review and modified as the transcripts were analysed.

**Figure 4.2 Coding Diagram**



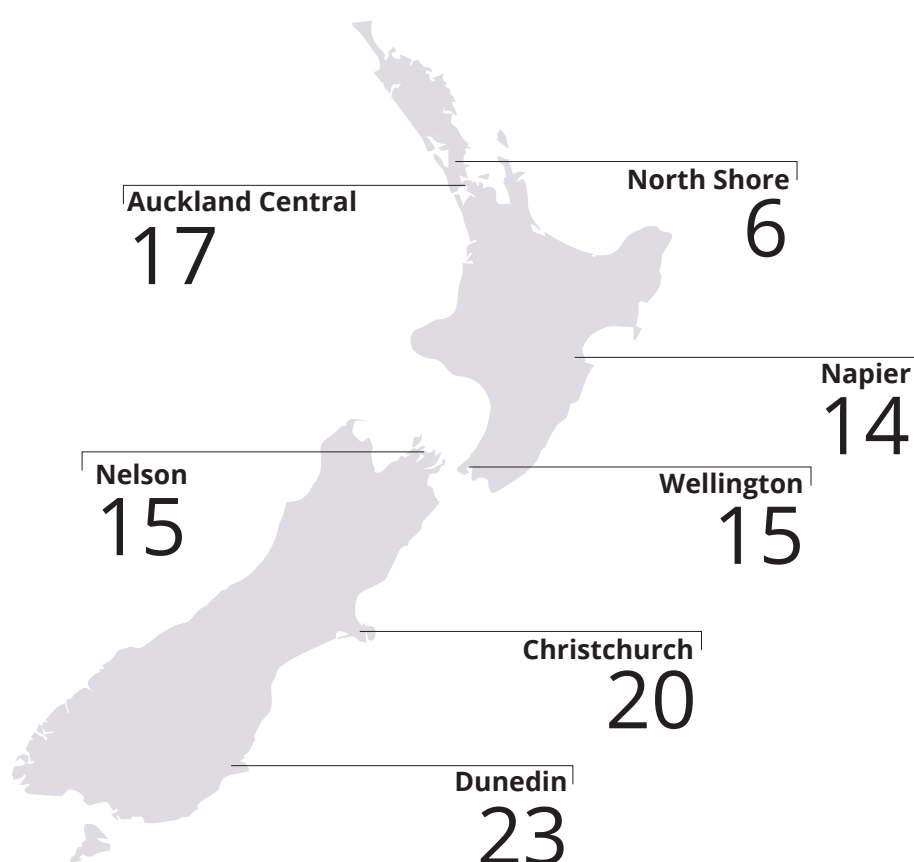


### 4.2.3 WP3.3 Regional workshops

Seven regional workshops were held with stakeholders, including business and employers' organisations, workers' organisations, decision-makers in central and local government, as well as senior entrepreneurs (including some of the interviewees) and prospective senior entrepreneurs.

The workshops were run in the latter half of 2020. The locations were chosen to ensure a mix of city and provincial locations. We partnered with Business Mentors New Zealand who, through their locally based agents, provided the venues and accessed the participants. Numbers were limited to twenty participants with each workshop running for 2.5 hours. Insights were collected using flipcharts which were transcribed and analysed using NVivo. In total 110 people participated, with senior entrepreneurs comprising 47 per cent of participants.

Figure 4.3 Regional Workshops Participation



Location	Senior Entrepreneurs	Business Support Organisations	Government Agencies	Other	Total
North Shore	4	1		1	6
Auckland Central	11	2	1	3	17
Napier	6	3		5	14
Wellington	8	3	3	1	15
Nelson	9	2	2	2	15
Christchurch	6	5	2	7	20
Dunedin	8	5	3	7	23
<b>Total</b>	<b>52 (47%)</b>	<b>21 (19%)</b>	<b>11 (10%)</b>	<b>26 (24%)</b>	<b>110</b>





#### 4.2.4 WP3.4 Learning and support needs of emerging senior entrepreneurs.

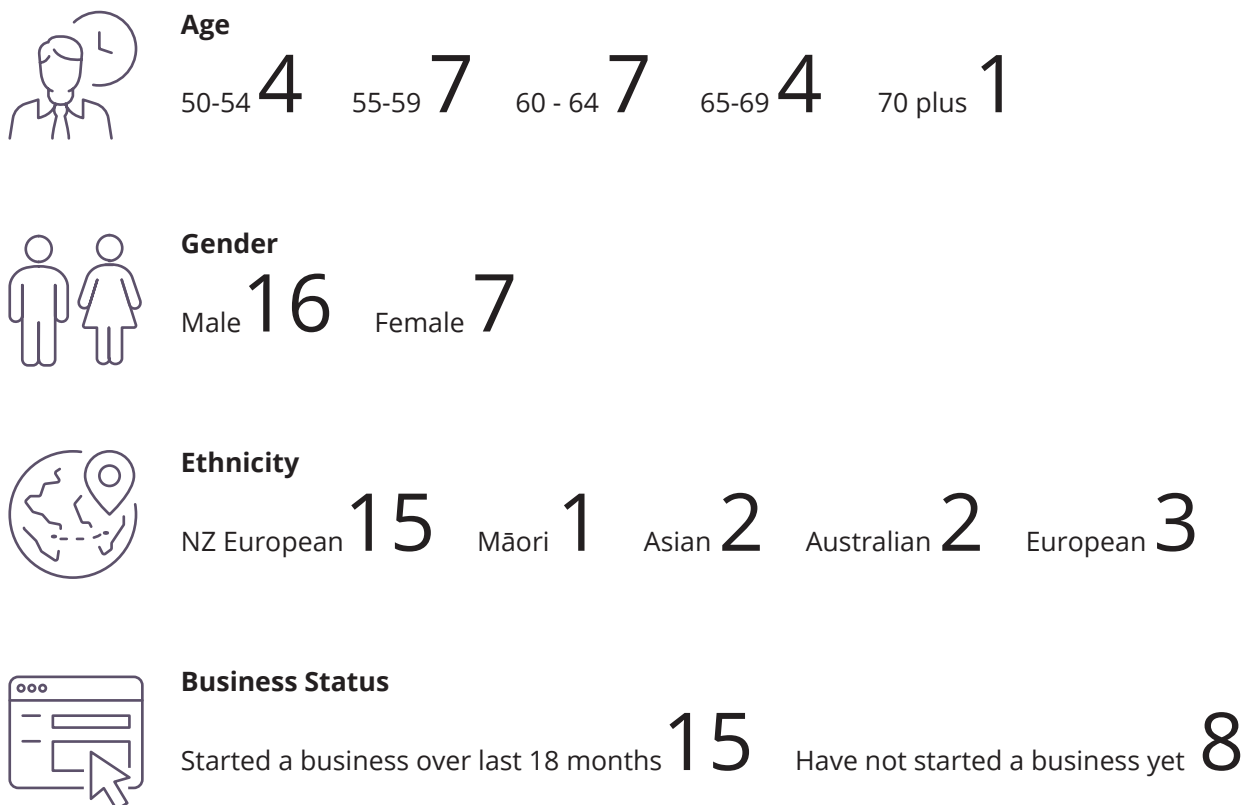
The initial in-depth interviews and a review of the literature identified the need to improve our understanding of the learning and support needs of emerging senior entrepreneurs.

Twenty three people were interviewed online by Zoom. Those interviewed were sourced through local senior entrepreneur networks in Dunedin, Christchurch and Hawkes Bay. Interviewees were

either currently in work, unemployed or under-employed and had an interest in setting up their own business or, secondly, they were individuals who had already taken the first steps towards setting up a business but were still in the early stages of their new venture. The summary findings were then tested with two focus groups comprising people who had established businesses which had survived more than 3 years.

A Kaupapa Māori study of senior Māori entrepreneurs was also undertaken and is reported separately elsewhere.

**Figure 4.4 Learning and Support Research Interviewees**



## 4.3 STARTING A BUSINESS LATER IN LIFE WHAT WE LEARNT

### 4.3.1 Later life entrepreneurs are both different and similar to other older workers

The 2018 Health, Work and Retirement survey questionnaire received 3964 responses. We identified 1938 people who were not retired at the time of the survey (48.9% of all respondents). The question '*have you started a business since the age of fifty*' was then used to divide this group into those who were still in employment (1628), and those who had set up a business since the age of fifty (310). The analysis was aimed at exploring if there were any similarities or differences between these two groups. The data were analysed using Microsoft Excel in four key areas; demographic background, work, quality of life, and income and home ownership.

#### BACKGROUNDS

##### Age

Profiling the age of both groups showed that 41 per cent of those who had set up businesses were, at the time of completing the 2018 questionnaire, aged 65 and over compared to 27 per cent of those remaining in employment. The difference becomes even more pronounced at 70 plus. (17 per cent compared to 7 per cent).

##### Gender

Fifty four per cent of those who had set up a business after the age of 50 identified as males with 46 per cent female. Fifty eight per cent of those remaining in the workforce after the age of 55 were female.

##### Ethnicity

There was little difference in the ethnicity profile of both groups with 60 per cent identifying as NZ European and 34 per cent as Māori.<sup>xv</sup> Over 86 per cent of people in each group were born in New Zealand. The place of birth rating second was the United Kingdom at around six per cent followed by Australia and Europe.

##### Education

There was a difference in terms of educational background between the two groups. Those who had set up businesses were more likely to have Post-Secondary/Trade and Tertiary qualifications. Forty three per cent of those who remained in employment did not have a post-secondary qualification compared to 35 per cent of those who had started a business.

## WORK

**Career Goals.** There was little difference between the two groups. Around three quarters of respondents in both groups felt satisfied with the progress they had made toward meeting their overall career goals.

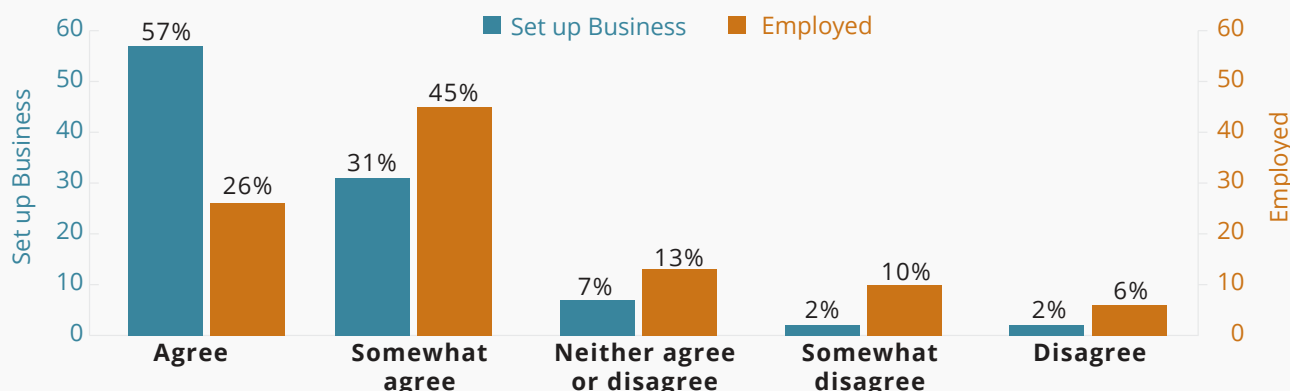
**Work Satisfaction.** Those who had set up a business later in life were more likely to be satisfied with their present job with 57 per cent feeling 'well satisfied' compared to only 26 per cent of those in employment. Of those who had set up businesses, 11 per cent were ambivalent or dissatisfied with their job compared with 29 per cent of those still in an employment relationship.

Participants were also asked if their current job continued to inspire them and how often they felt inspired in their work. Those who had set up businesses were more likely to feel inspired with 45 per cent experiencing this feeling daily, compared to 33 per cent of those in an employment relationship. Eighty six per cent were inspired at least weekly, if not daily, compared to 77 per cent of those who had not set up a business.

**Stress.** Respondents were asked if they found their job 'very stressful'. Those who had set up businesses were slightly less likely to find their job 'very stressful' compared to those still in employment. Thirty-five per cent of those who had started businesses did not find their job 'very stressful' compared to 18 per cent of those in employment.

**Figure 4.5 Satisfaction with Current Work**  
*"I feel fairly well satisfied with my present job"*

Source: HWR 2018

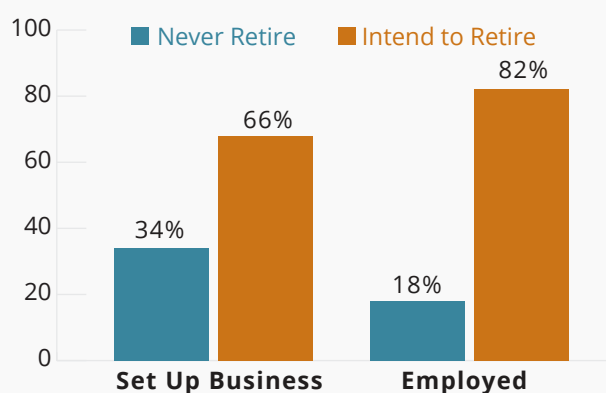


**Work Ability.** The vast majority (83 per cent) of respondents in both groups were confident that their health would still enable them to be working in two years' time.

**Retirement.** Participants were asked if they planned to retire and, if so, at what age. Those who had set up a business were less likely to be planning to retire than those in employment. Over a third had no intentions to exit the paid workforce. On the other hand 82 per cent of those in employment planned to retire, the mean age of their anticipated retirement being 67.5 years. Of those who had set up a business and planned to retire, the mean age at which they saw themselves exiting paid work was 72.2 years of age.

**Figure 4.6 Retirement Intentions**

Source: HWR 2018





## QUALITY OF LIFE

**Health.** Fifty eight per cent of those who had set up businesses saw their health as 'excellent' or 'very good' compared to 48 per cent of those who were employed. At the other end of the continuum the same difference emerged. Only 12 per cent of those who set up business considered their health 'fair' or 'poor' compared to 21 percent of those still in employment.

**Life Satisfaction.** While over three quarters of all respondents were satisfied with their lives, those who had set up a business were overall more satisfied with 85 per cent rating their life satisfaction as 'very satisfied' or 'satisfied'.

**Quality of Life.** There was very little difference between the two groups. The vast majority of respondents believed they had a 'very good' or 'good' quality of life. Ninety one per cent of those who had set up business rated their quality of life as very good or 'good' and 87 per cent of those employed.

**Income and Housing.** Overall, there was little difference in personal incomes between those who had set up businesses and those remaining in employment. The median income for both groups was in the \$50,000 - \$60,000 range. Forty three per cent of respondents in both groups had incomes under \$50,000 while slightly more of those who had set up businesses were earning over \$150,000 compared to those who had remained in employment.

**Material Standard of Living.** Respondents who had set up a business were slightly more satisfied with their material standard of living - 85 per cent were either 'very satisfied' or 'satisfied' compared to 77 per cent for those in employment.

**Home Ownership.** Respondents were also asked to indicate the tenure for their primary residence. There was very little difference between the two groups. Ten per cent of those who had set up businesses lived in rental homes compared to 13 per cent of those in employment. Seventy nine percent of those employed owned their own home compared to 74 per cent of those who had set up a business.

## IN SUMMARY

Those who set up a business were more likely to be doing better in their work. They were less stressed, had higher job satisfaction, and were inspired in their work more frequently.

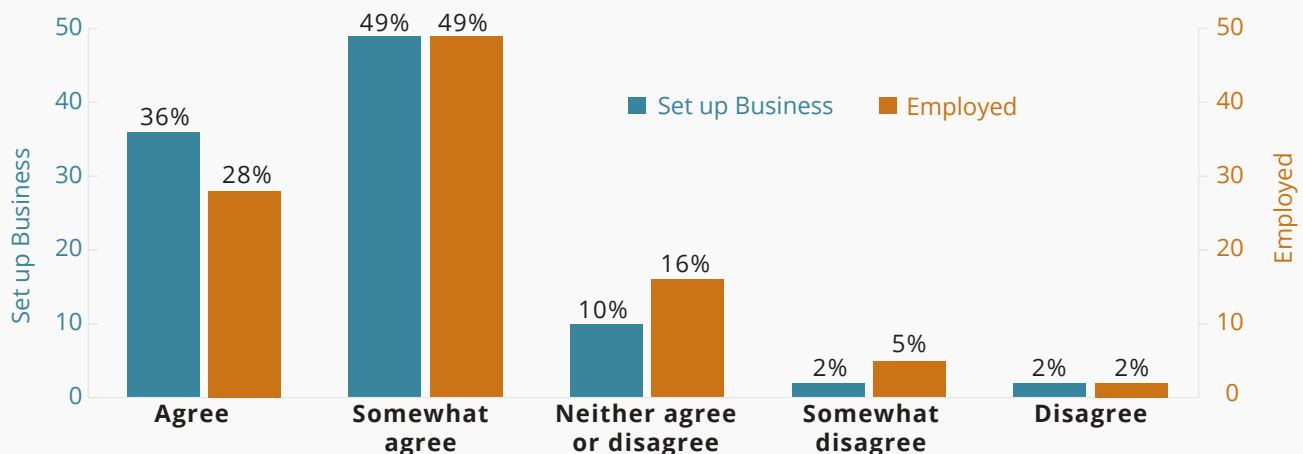
Those who have set up businesses were working longer, were less likely to be planning to retire and if planning to retire leaving it on average 5 years later.

Those who set up a business were generally doing better in terms of their health, life satisfaction and material wellbeing.

**Figure 4.7 Life Satisfaction**

*"All things considered how satisfied are you with your life as a whole these days?"*

Source: HWR 2018



### 4.3.2 Why people start a business later in life

Understanding an individual's motivators or intentions towards entrepreneurship is important if we are to support increasing numbers of people who pursue this option in later life. While the individuals interviewed exhibited many of the motivations identified in the literature, they did not neatly fall into the categories proposed. Rather, across the twenty in-depth interviewees we identified a range of motivations and entrepreneurial orientations.

Various definitions of 'entrepreneurial orientation' have been proposed in the literature (Miller 1983), with most researchers suggesting the presence of three dimensions; innovativeness, pro-activeness and risk-taking.

“

*So there was always this itch underneath...*  
Philip

“

*So [financial freedom] was absolutely a key driver. Having first brought up my children in a state house in [location], not having much money, being very young I thought 'no, there has to be a better way'.* Margaret

We identified five broad 'entrepreneurial orientations' or motivations for starting a business for the first time after the age of fifty. These should not be taken as categories with hard boundaries or even as a typology into which all senior entrepreneurs can be slotted. For a number there was a primary orientation followed by a secondary rationale for starting a business. We propose that the five orientations be viewed as lenses through which to view and describe a complex and challenging process.

Understanding a person's motivation and rationale is important in terms of the types of support, especially the mentoring they may need, their goals for their business and issues such as potential scalability, profitability, and succession. Most business planning frameworks, for example Business Lean Canvas, focus primarily on the venture and do not explore the question: why is this person starting a business? It is critical, we would argue, to understand what motivates a person – the venturer – to ascertain the type of support they may need and to ensure that this is matched to their ultimate goals.



**Direction  
Changers**



**Difference  
Makers**



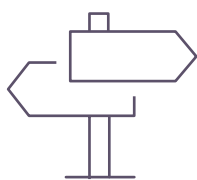
**Investors**



**Opportunity  
Takers**



**Needs  
Must**



## The Direction Changers

The **Direction Changers** all had a moment of insight when they knew they wanted to take a different direction in their work life. It was a combination of self-awareness, life stage factors and a willingness to 'give it a go' that saw them change direction.

*"It just suddenly became, 'I don't want to be 60 and doing this job...'"* Linda

The four interviewees in this group had successful professional careers and could have remained in them if they had chosen. However, for each there was a point of dissatisfaction or an inflexion point that had them exploring a new direction. For two, the trigger was the reflection 'do I want to be doing this for the next part of my life'. For another, it was dissatisfaction with the culture of the corporate where he was working, and, for the fourth, a major life event that led to a change in direction.

“

*So there were some people from Wellington ringing me up for me to stay, I said 'No I'm out of there, on my bike.' I had to go.* Patrick

“

*Well even if you have a motivator, you actually - you have to let go of all that, you actually have to learn to jump off the diving board into the unknown.* Philip

“

*I'm not a person of excuses. You know, I think you're - you make or break your own success.* Linda

While the businesses they set up were in different fields to those where they had previously worked, there was a clear link between the venture and their careers or long-term personal interests. Their previous experiences included working with people,

a passion for collecting art, earlier creative activity, and acquired technical skills.

The Direction Changers all sought external advice from an accountant when setting up their business. However, none thought of connecting into the local innovation ecosystem, accessing a business mentor or business advice services. Even when they did seek advice and considered the risk of the venture, they did what they had planned anyway.

One, whose business is well established and showing growth potential, is now planning to work closely with their bank and the local university to develop a growth orientated business plan. Another, being somewhat sceptical of traditional sources of advice and funding, was very active in creating their own networks of collaboration amongst their wider professional community.

Three relied on their existing skills and used their own financial resources to set up the business. In the fourth case, which required a large capital investment for technology, the individual raised outside capital. Interestingly, this business failed while the other three have continued.

“

*Oh I don't think there is anything to be frightened of, if you do your due diligence. And I mean, it might really work out for you, or it might not. But you will never know until you try.* Linda

“

*I was fortunate to be sufficiently financially secure, that I didn't need to draw an income for the first few years that I knew it would take me to get on to it and make it work.* Linda

“

*I love working for myself. Just having control over things... There is a lot of flexibility.*

Amanda

“

*Go and talk to entrepreneurs, probably the most critical thing to give you the confidence to take the leap, you've still got to step off.*

Philip

“

*Get advice before you commit. Look at yourself, because it is going to be more work than you are doing at the moment.*

Linda



## The Difference Makers

What characterised the **Difference Makers** was a clear vision and a strong desire to make a difference. None spoke of starting a business as an end in itself, rather what motivated them was a desire to help others, address the issue of climate change, leave this world a better place for their grandchildren or contribute to the public good.

*“If I am lucky I will have grandchildren and if they say ‘What did you do?’ I want to be able to say something.”* Nigel

The values associated with wanting to make a difference had been evident throughout their lives. Previous work had included nursing, design, disability vehicle hire, health policy, and higher education teaching. There was also a consistent theme of ongoing community involvement.

The five interviewees in this group talked positively about the influence of their parents, who in most cases also had active involvement in their communities; through the marae, their professions, public service or voluntary activity. All had been exposed to some form of business activity prior to their current initiative.

“

*I came away thinking ‘this is what I want to do’, I wanted to be able to empower other women. And my core values have always been since I was a young person, that I wanted to make a difference in this world and make it a better place.* Alison

“

*My ambition is not to start my own business. That's not a primary goal. My goal these days is I want to do things that are technically interesting and creative and for the public good.* Bill

“

*My father started his own business and wanted to pass that business on to me and my brother. So I grew up on the assumption that I'd be a small business person.* Nigel

“

*And they [parents] did a lot of voluntary work for the church, um [name] marae in [city]. Of course the marae required high levels of entrepreneurship.* Margaret



The extent to which each were encountering barriers in getting their initiative underway was largely due to their own limited resources or difficulties in accessing external resources. One had a sufficient nest egg from a previous business to pursue his idea and through working with a university was able to tap into their intellectual and physical resources as well as significant seed funding. On the other hand, a highly skilled nurse with a vision to offer workshops for women was finding it challenging and needed to self-fund her dream from ongoing employment. Another self-funded his activity and was subsequently able to gain funding from a community board and the local innovation eco-system.

“

*So making ends meet in business has always been a really big struggle for me. I love what I do.* Alison

“

*I think that's one of the hardest things for older entrepreneurs is that you just don't have that [time], you may not have a long enough life to pay back debts.* Ella

“

*I used my own money to do that [build a prototype] and I've since recovered a large chunk of that back off the community board.* Bill

“

*I was lucky, I did have some capital. So that I could invest. Which means I don't have to feed the hungry dragon, I don't have to go out and look really hard for work.* Margaret

Only two Difference Makers had connected into a local innovation ecosystem - both were males. Two Māori women in this group were rather disparaging about available support.

For the one man who attended a start-up weekend, the title homed in on his passion - “Humanitarian and Disaster Recovery,” and provided the opportunity to check out his idea. He came to it with a preconceived view that start-up weekends were really for young people and “*not a retired and older person*”.

The other person tapped into the wider innovation eco-system, enrolling in a Master's degree and subsequently a PhD to test his ideas. This provided access to the vast resources of a university and its extensive, and at times complex, innovation environment.

All had encouraging advice for people wanting to take an entrepreneurial direction.

“

*I would say, um, make sure that you know your purpose, because your purpose is really important on how much you will, um, thrive, succeed. And because then you can work out your how's if you know your whys.* Alison

“

*Don't start off by talking about a business. Start off with an idea. People often say - I need a business. They might as well just import stuff. So important to have an idea. If I'd started off thinking I want a business I would have never thought of this idea... This came out of a need and me thinking around solving problems.* Bill

“

*I feel like it is a stumbling block, but I don't know where to go to get really clear advice without paying a consultant or somebody who is going to cost me a fortune... I know there is a Chamber of Commerce, but I haven't gone there because it didn't kind of resonate with me* Alison

“

*I don't like those business networks. I don't like them at all. If I may be brash, I find them wanky. I don't like them.* Margaret



## The Investors

The **Investors** had a background in business, either as owners or in senior management roles. This was very evident in the way in which they approached their current venture, the taking over of a business.

For this smaller group, the primary motivation was financial, underpinned by secondary drivers, in one case creating an employment opportunity for a family member, for the other a move away from corporate life to greater independence with eyes set firmly on retirement.

“

*Basically, it was an investment that was gonna have a return. So instead of investing, like a lot of people, in rentals, we invested in our business. Lydia*

“

*We wanted to have a business that would, you know, pay for our retirement so we could sit back and enjoy life. Lydia*

“

*Well I was the first investor in a new [type of fruit], well the second because the man who developed or founded it was the first. So I was the second person into it. Now it's all these big corporates... I had a brother who was having a few problems with his work. And I thought 'how can I help'. We went to him one day and said to him 'would you like to manage a [fruit] orchard'. And he said 'I don't know anything about it but let's give it a go.' It was about 18 months later we bought an orchard. Stanley*

Prior to their current initiative, both had worked in business environments. One had been a sharemilker in his thirties and now owned a

number of land-based businesses. The other person's husband had worked internationally as a senior executive, and she had worked in marketing for a large business. Both interviewees purchased businesses in the same sectors where they had previously worked, capitalising on their acquired skills, knowledge and networks.

Consistent with taking a business-like approach, what separated the Investors from the others interviewed was the extensive risk analysis they conducted before pursuing their business opportunities.

“

*We bought the business – he [interviewee's husband] looked around at a lot of places and this one stood out... So we did due diligence and got all the right things answered and ticked and checked and we had outside people looking as well. I don't think anyone knew that from the \$8 pay-out [farmgate milk pay-out], right down to a \$4 pay-out was going to hit – really no one knew. No one thought that would happen. Lydia*

“

*It was a big decision actually, It was a huge decision because I was very nervous about it, putting all our eggs into one basket - which was our business. Lydia*

“

*I analysed the risks. What would happen to what I've got if this goes wrong, we just did an analysis of it and then presented it to the accountants to see what they think and each of the consultants had a look at it as well. Stanley*

“

*It was a disaster at the time I took it on. It's now the best business I've got. They all go through cycles and they were on a low cycle when I took it on and it's just come, and got better and better. Stanley.*

Both have remained reliant on professional advice, primarily from their accountant and banker. Reflecting on the impact of risking their savings in a business later in life, one observed,

*“So we are in our fifties now, if it really blows completely up...So you have to start again at 50 plus it is really difficult. It’s not like you are in your twenties, you just get another job or move countries or disappear or do something easy peasy...You have got baggage with you, you have got children with you, you have got older parents with you.”* Lydia

When asked what their business goals were and how they would measure success, their responses were consistent with their initial motivation in buying their businesses.

*“Yeah, pay off the friggen mortgage.”* Lydia

*“I suppose if it is financially profitable it is successful.”* Stanley



## The Opportunity Takers

The **Opportunity Takers** either had an opportunity presented to them which they grasped, or they created an opportunity from a set of circumstances. What set this, the largest group, apart was being future-focussed, attuned to their environment, able to spot an opportunity and a willingness to explore the possibility. This has been referred to as having entrepreneurial alertness (Fu-Lai-Yu 2001) or entrepreneurial foresight (Fontela et al. 2006). For some they just couldn’t but see opportunities wherever they turned. The challenge was evaluating them, while for others opportunities presented that they could not have foreseen.

“

*We just got talking and she says ‘I’m too old to set up a business but I’ve got this amazing product.’ So I said ‘well why don’t we do it? You do your manufacturing and I’ve got the know how to set a business up.* Kelly

“

*I got a phone call one day and someone just offered me a whole lot of money to open up a business.* Kate

Several took the opportunity to move into areas where they already had experience, existing networks and interests. For two, younger family members had started businesses which needed their support. They saw the opportunity to contribute and stepped in. In two other cases opportunities arrived almost by chance. One had investors approach her while another met her future business partner by chance over a glass of wine and recognised they had complementary skills and strengths. They went on to establish a food manufacturing business. For others, it was spotting a gap in a field they knew well and moving into it.

“

*I just fell into it. It was not a conscious decision.* Kate

“

*I didn’t choose the business - the business chose me.* Bryan

A number self-funded their ventures from savings or cashflow. One borrowed from family and used his credit cards to keep his business afloat. Another, approached by investors, ultimately took a supplementary bank loan, paying off both the investors and the bank from cashflow as soon as she was able to.

“

*I have been paying up front for anything that I've bought. So, there's no debt attached. And I've managed to pick up some real bargains. If I can't afford it, I won't get it.* Michael

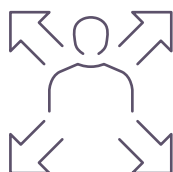
“

*So we started it off to get it up and running and we put in two thousand dollars each. So, then it was just a matter of me really calling on contacts to be honest, you know. To get our web page set up, my girlfriend's daughter was doing web design at university, so we paid her some money to help us with that.* Kelly

“

*I would like to see it making money now, but it's not a worry. To me, it's already been a success, because it's been a good time for us. I've still got an income from my job. If the income (from the new enterprise) comes out good, then I'll be quitting. But we're a long way from that, yet.* Colin

The interviewees all experienced a range of barriers. These included institutional prejudice against people with disabilities; juggling extended family care, a part-time job and starting a new business with a business partner in another city; or working excessively long hours. On the other hand, for a father and daughter it brought intergenerational benefits and satisfaction.



## Needs Must

Coming from varied backgrounds and facing serious challenges in their lives, the **Needs Must** group found themselves in situations where self-employment presented the only viable option. This was not necessarily ideal or what they would have chosen for themselves. However, they built on their previous experience and networks and hoped to keep working indefinitely, certainly as need required.

All had enjoyed long-term stable employment throughout their careers. However, due to a number of factors they found themselves needing to look for employment. Two were in unsatisfactory working situations, while a third had relocated to a new town and was looking for work. All faced extraordinary personal financial challenges and had to generate income to survive - there was no other option.

“

*I was thrust into the worst job market that had ever been... It wasn't an ambition to run my own business. But, then, it turned out the best thing ever. It's exactly how I want to work.* Gloria

“

*It's survival because one, I need the money; two, it's interest; and three, I do get a buzz out of it. I'm 69 now. I could still be doing this in ten years.* James

“

*The situation that I'm in now is that my pension doesn't cover my running costs... We buy the food when we get paid and of course being in business we don't get paid right away. You know there's no food in my cupboards at the moment but I got my pension yesterday.* James



All three had parents who had been in business, more or less successfully, although none reported that it had been their ambition to go into business. This was a default option which, as it turned out, had a silver lining - greater flexibility, autonomy and no office politics.

“

*“It’s exactly how I want to work. I don’t like constraints. I can’t stand being in an office nine to five.”* Gloria

“

*“You are own boss, you can work it in your time, but I haven’t had a holiday in nine years. You can’t get away from the business because the business needs you every week. I’m getting by.”* Colin

While they shared the need to earn a living, the group members had diverse life experiences. The one woman in this group, while needing to leave her work environment, was also facing an expensive marriage separation. She was

apprehensive and unsure of herself initially after taking the plunge, but she used her extensive professional contacts and in her words *“has never looked back”*. For another, who also experienced a costly broken marriage, it was about survival. He had to move into rental accommodation *“now it’s my business and me just surviving.”* Adding to this deteriorating health and supporting an unemployed teenage son who lived with him, life was tough.

The third person in the Needs Must group also had serious health problems, was a recovering alcoholic and found his housing unit was a leaky building. This had necessitated taking out a mortgage at age 65 to fund the repairs. At 69 he enjoys his work, which he does from his garage office, while also earning additional income as a property manager.

*“I don’t know whether I am an entrepreneur or not. I don’t know. I’m a senior citizen, trying to survive.”* James

None of this group had sought formal advice in setting up or running their businesses apart from talking with an accountant. They generally felt that they did not need it, given their subject knowledge and expertise. Self-funding was the most common approach to meeting minimal business needs.

### 4.3.3 The businesses people are setting up

For many of the businesses established by people later in life, the goal of the founder was to have a business that generated sufficient income to live, and/or to make a difference in some way. It wasn’t to create a high growth or scalable business.

“

*“I don’t want to be Bill Gates. I don’t want to be Elon Musk. I just want to move the thing along...wanting to explore this possibility, as my contribution to trying to save the planet.”* Nigel

“

*“I mean it wasn’t in my head to make money at that stage. No it wasn’t in my head... So I wanted to leave some of that specialised technical stuff behind, and go out there whether it is a small business or medium sized business or some sort of business. I wanted to get away from the corporate thing.”* Patrick

“

*“I would say that my mission is to be able to make a difference in this world, to make this world a better place.”* Alison

“

*To have a bit more fun. To learn new things. And to try something different.*

Linda

In reviewing the businesses started by the twenty interviewees in the in-depth study and the twenty three interviewed for the research into the learning needs of emerging entrepreneurs, it was evident that the businesses they had established covered the full gamut of business activity and models.

We were able to identify six broad business groupings. These categories should not be

confused with legal structures such as a limited liability company, sole trader, trust, cooperative or not for profit. Whether it was a start-up still validating and commercialising a novel idea, a business owner, consultant or an investor purchasing a business, their activities all fitted into one of the six types.

In selecting our interviewees we decided not to interview anyone who was earning an income from participating in the sharing economy or through a franchise, however, we were aware from the regional workshops of individuals who were pursuing these options and clearly demonstrating an entrepreneurial orientation to their venture.

### Figure 4.8 Field of Business

Source: Interviewees

Green Energy Production	Live Streaming of Life Events	Bookkeeping Services	Science Communicator
Emergency Radio Technology	Business Services Brokering	Art and Design Studio	Music Production
Telecommunications Networking	Wellbeing Services	Home sewing/pattern making	Counsellor
Specialist Food Production	Clothing Manufacturing	Celebrant	Environmental Consulting
Artist	Art Gallery and Dealership	Agribusiness – Orchard	Teaching
Book Production and Distribution	Garden Maintenance	Agribusiness – Engineering	Complimentary Health Practice
Wellbeing Events for Women	Eco-tourism	Auto Certification	Information Services Consulting
Gin Distillery	Real Estate	Quantity Estimating	Personal Trainer
	E-Commerce Advice	Business Consulting	Video Content Production
		Health Consulting	

## Business Types

### START-UPS

Start-ups are defined as companies or ventures that are focused around a single product or service that the founders want to bring to market. These ventures typically don't have a fully developed business model and often lack adequate capital to move onto the next phase of business. Most of these entities are initially funded by their founders.<sup>xvi</sup>

### **Emergency Radio Technology**

*Reliance on cellular technology during a natural disaster emergency can't always be counted on. Having participated in a start-up weekend, tested his idea, joined a community incubator programme and established a company, this business is still in the development phase, facing the classic challenges of a start-up.*

## NEW SMALL BUSINESS

The most common definition of a small business in New Zealand is, an enterprise with fewer than 20 employees where the owner is active in the business. Rather than buy an established business these people started from scratch using an already recognised business model in fields where they had expertise or an interest.

### ***Clothing Manufacturing***

*Five years on from an 'out of the blue' offer to fund a new business, a successful clothing manufacturing business has been established and is doing work for some of New Zealand's top designers. The business now employs over 15 staff with an annual turnover in excess of \$2 million.*

## SELF-EMPLOYED

Self-employed people have been defined by Inland Revenue as carrying out business activity on their own account. Self-employment can include contracting, working as a sole trader or small business ownership.<sup>xvii</sup> Most often they do not employ others and take a set of skills they have previously used in employment and work for themselves.

### ***Quantity Surveying***

*Having worked as an employee for construction companies for most of his working life, the decision at age 65 was to work from a home office and provide cost estimation services for a select group of clients. The owner didn't see himself as running a business, rather as being self-employed.*

## BUYING AN ESTABLISHED BUSINESS

These are typically individuals who move from being employees to purchasing an established business most often, although not always, in a field they are familiar with.

### ***Agribusiness***

*Returning from corporate careers overseas, and after extensive due diligence, a couple went into business for the first time and invested in an established agribusiness providing feeding systems to the farming sector.*

## FRANCHISE

A franchise is a licence that grants a franchisee access to a franchisor's proprietary business knowledge, processes and trademarks, enabling the franchisee to sell a product or service under the

franchisor's business name. In exchange the franchisee usually pays the franchisor an initial start-up fee and an annual licence fee.

*Typical examples are real estate agents, shuttle bus or transport providers such as Driving Miss Daisy.*

## SHARING ECONOMY

The sharing economy is an economic model defined as a 'peer to peer' based activity of acquiring, providing, or sharing access to goods and services that is often facilitated by an on-line platform.<sup>xviii</sup>

*The typical examples are Airbnb, Uber, Uber Eats.*

*We were aware from the workshops of individuals who have established accommodation and ride sharing websites for the New Zealand market and use a similar business model to Airbnb or Uber.*

### 4.3.4 Setting up a business

Making the decision to set up a business later in life can be challenging and daunting. Emotional, financial and other forms of support from within a person's network are critical in the early phases of any business venture. Family and friends can both support and oppose the decision.<sup>xix</sup>

Families and friends who had previous experience in entrepreneurship tended to be supportive while those with no entrepreneurial experience often discouraged aspiring entrepreneurs, telling them that the whole idea of starting a business was too risky, outright foolish and they should just get a job or retire.

Those starting a business for the first time later in life bring to the activity a lifetime of accumulated wisdom, skills and experiences both good and not so positive. Some will be emotionally vulnerable having experienced the loss of a job and, despite their qualifications and experience, not being able to get back into employment. For others a specific life event may have been a catalyst such as a relationship breakdown.

Having self-belief and confidence were critical in getting the venture underway. While some older entrepreneurs had a strong sense of self efficacy the majority described moments of self-doubt. While they may have been successful in their career this was a whole new challenge.

A significant number of those interviewed were involving family members in their venture - spouses, children, whanau, nieces and nephews. There were examples of intergenerational businesses being established and in one case a family member was being mentored to take over the business.

“

*You know, I'm not a person of excuses. You know, I think you're, you make or break your own success. And I'm quite happy to fall on my sword, if falling on my sword is part of what happens on the way through. So, I just think, if you get out of bed, and you've got a challenge, you know, I think you have a better day.* Linda

“

*I met this lady who had never been [in business], well she had been years and years ago, and owned a dairy, but always thought she was too old to start a business. So just one night we were sitting talking... 'Hey we could do this'. Yeah, I don't think anyone had given her that belief that... with a bit of help and support. It's not that difficult. You know there are difficulties..... in the process. But it's not difficult to make it happen.* Kelly

“

*So I got a phone call one day and someone just offered me a whole lot of money to open up a business. And I'd probably spoken to them twice on the phone before. I knew them in the industry. And so I had a meeting. Pretty much the rest is history. So we own our business, after 4 years. ...We had a couple of meetings and said, 'This is what we're going to need to set up with.' And then we started the process.* Kate

“

*I knew I was entering a crowded market but found it easy to get work. I got my first commission at my farewell party.* Ronald

“

*But my ambition has not been to start my own business. It's still not. That's not my primary goal. My goal these days is I want to do things that are interesting and creative and for public good.* Bill



### 4.3.5 Accessing financial capital

The availability of funding to start or scale-up a business is often cited as a limitation for entrepreneurs more generally. Of the twenty we interviewed in-depth, the majority did not need large capital investment, relying primarily on savings, loans from family members, credit cards, other employment or low-cost options such as acquiring second-hand equipment. A quarter, however, needed in excess of \$100,000 to get underway.

Approached by three investors one was able to get her manufacturing business established due to a \$0.5m loan which she repaid after four years. Another researching, developing and patenting green energy solutions was linked into a university funding system and had accessed Marsden Research funding and an early-stage investment and development fund.

One person, needing over \$100,000 to rescue a business, put in his own savings, begged and borrowed from family, 'maxed out' his and a family member's credit cards and didn't take out a wage for several years as he struggled to create what is now a viable business providing employment for whanau. Another sold their home to bankroll the business through a period of unanticipated turndown.

There was a general reluctance on the part of most to take financial risks, aware that, at their stage in life, a significant loss could not be recouped. Several had nest eggs acquired from a lifetime of saving, a redundancy payment or superannuation and were able to make an initial investment, often foregoing an income during the establishment phase. Some kept their day jobs, relying on multiple income streams to live and grow the business.

From the interviews and the regional workshops it was evident that, for a number of new and emerging ventures, access to micro-finance could have accelerated their growth and expansion. There was also a general lack of knowledge as to where funding or micro-loans could be sourced.

“

*I need funding for it. Not a lot. Because everything I do I fund myself. And so, that's one of my things that I haven't been able to access, I don't know how to fund it, how to get funding. So, I know that is my stumbling block.*

Alison

“

*I was fortunate to be sufficiently financially secure that I didn't actually have to draw an income for the few years that I knew it would take me to get onto it, and make it work.*

Linda

“

*I think that's the hardest thing for older entrepreneurs. You just may not have as long a life to lead.... to pay back debts that you have, so you become a debt-averse individual and lending institutions don't see you as a good bet.*

Ella

“

*In the end I went out, spent my own money, bought all the stuff I needed to build a prototype, and I'm still working in that mode. And I got the funding back from the community board to help pay for that.*

Bill

### 4.3.6 Where people get their advice

The key determinants of where and if people sought advice was their prior business or corporate experience and, secondly, how they conceptualised their business.

Accountants, followed by family and friends, were the most frequent sources of advice when starting out. Most recognised their lack of expertise in tax and so went to an accountant early on. Very few were aware of the services provided by Inland Revenue (IR) for small businesses and if they were, they were somewhat cautious about approaching IR.

Experienced senior entrepreneurs in one of the focus groups counselled that while it is really helpful to get support and endorsement from family for the decision to set up a business, it is not a good idea to extend this into seeking their business advice.

The interviewees who had prior corporate or business experience and saw their new businesses as an investment or requiring substantial investment were more likely to draw on advisors, not only in doing due diligence but in the ongoing operation of their businesses. They drew on specialists in their field, for example horticulture, as well as accountants, bankers and lawyers.

Those who had technology start-ups had accessed Callaghan Innovation, start-up weekends and in one case university commercialisation services. One who had participated in a start-up weekend reflected, *“The business advice we get tends to be pretty template-y in that you’ve got to build a business plan. How are you going to make your money? And it’s sort of very, very templated thing that doesn’t actually cater very well for social enterprise type stuff.”* Bill

Some had friends who were also professional advisors and approached them informally. Other sources of business advice included Women in Business, Institute of Directors, Chamber of Commerce, business seminars, web searching and You-Tube. Those who said they did not need formal advice often had prior experience in the field. In other cases, they believed their enterprises were too small to warrant this type of help. A number commented that services such as Business Mentors

New Zealand didn’t seem appropriate for them for a variety of reasons– size *‘we are too small’*, industry type – *‘we are niche’*, or image *‘they don’t look like me’*.

“

*They’re gonna think I’m really nerdy or something.* Kate

“

*I don’t like those business networks. I don’t like them at all. If I may be brash I find them wanky. I don’t like them.* Margaret

“

*Everyone gets in and they just do it. So, I’ve got that, but I don’t have advisers, and I never have advisers, but I probably I do need advisers. I read lots of different stuff.* Alison

“

*I did connect with Business Mentors New Zealand. And it was sort of a meeting once a month, and it would just be more to go and vent more than anything, and she would give me a couple of tips - have you tried marketing here or what problem are you trying to solve??...but actual running of the business, I didn’t get a lot of feedback from her.* Carolyn

“

*So I’ve on purpose built a whole new independent business network. So I’ve gone out and asked people “Would you be my mentor” at the crazy stupid age I’m at. My key recommendations are, just take up everything that’s going. And there’s so much free stuff out there. Go and talk to entrepreneurs, probably the critical thing too, gives you the confidence to take, you’ve still got to step off. Build a collaborative model.* Philip

**Figure 4.9 Sources of Advice and Support**



The need for business mentoring was a recurring theme. Experienced senior entrepreneurs in the focus groups had strong views about the use of business mentors and made a number of points

- They are good if relevant and the support is timely.
- There must be a good fit with the mentee's values and beliefs.
- Recognise that the mentee may outgrow the mentor.

- It is better if the mentor knows the business in your market.
- Ineffectual mentors are not needed!

*"The right mentor at the right time can be very helpful – the entrepreneur having a say in the mentor before they are recommended is a sensible step, it does not always happen."* Focus Group participant

### 4.3.7 The learning and support needs of emerging entrepreneurs

Internationally, entrepreneurship education and training are one of the fastest growing business disciplines, and have resulted in millions of entrepreneurs benefiting from formal and informal initiatives to enhance their ventures.

As part of this research we did a deep dive into the learning and support needs of emerging senior entrepreneurs, those who had been in business for

less than eighteen months or were still exploring this option. We then tested their insights with two focus groups comprising people who had been in business for longer than three years.

The intention was to identify skill and knowledge gaps so that those developing training and support programmes for emerging senior entrepreneurs could do so confident that their designs were evidence-informed and targeting learning where new skills and competencies were most likely to be needed.

Often career practitioners talk about transferable skills as if they are a collection of individually identifiable skills we acquire and can be 'ticked off' on a skills matrix. Most of those interviewed did not think about their skills as being discrete or consider the transferability of their skills, knowledge, and competencies. They also underestimated the relevance and value of what they bring to the table to help them start a business.

However, when probed, the general consensus was that most, if not all of the generic skills they had learned as employees were useful in starting and running a business later in life. One of the key variables was contextualisation. Did the skills seem relevant and make sense in the new setting?

The most frequently identified transferable skills were interpersonal and organisational skills. Some felt they needed to develop these further for their new venture.

A number of interviewees who had worked as employees in practical line management, administration or on-the-job manual work recognised they had abilities such as analytical skills, time management, managing deadlines, organisational skills, problem-solving, logistical management skills and interpersonal skills.

“

*Nothing really from nursing has helped me with this new business, really. I had done a management course a few years ago as well at the Polytech. But it's been totally different, because you go to work and you earn a wage regardless of your work performance. Now I've got a business and it's up to me. The more energy I put into it, the more I get out of it. ...So it's quite different, actually, running your own business to actually just having a job.*  
Judith

“

*Yeah, I think they've all allowed me to succeed in my own business. They're all critical, they're all key, and the people side of things is obviously really important when you're dealing with clients.* Sandra

“

*I think all skills translate to some extent. And I think..., probably the most important thing is a willingness to learn.* Jan

Most of these skills, however, differ from the more strategic, higher-level skills often needed to start a business.

There was significant interest in learning new skills but no apparent desire to attend formal learning institutions or to gain formal qualifications or micro-credentials. The strong preference was to acquire the skills needed in a 'learn by doing' environment. Listening to an expert/mentor/coach was acceptable as long as there was practical support available to assist with implementing the new skills. Most interviewees were prepared to consider a mix of learning methods as long as the subject matter was relevant. It was recognised that attending workshops has the added benefit of socialising.

The price of training was an issue for small businesses.

*"...bearing in mind that my business does not make a lot of money. A lot of workshops, they charge a lot. And, you know, there's a lot of free information on the Internet and YouTube."* Julia

Those interviewed in respect to their learning and support needs (WP3.4) did not prioritise the areas requiring attention. However, the more experienced people in the focus groups stressed the need to differentiate between 'must have' and 'nice to have' areas of skill development in the early stages.

The interviewees and focus groups identified a number of training and skill development gaps associated with making the transition from employee to entrepreneur later in life.



## BASIC COMPUTING SKILLS

The majority believed they had already developed a reasonable level of computer skills before they started their entrepreneurial journey. Some recognised that new skills, for example in using specialist software programmes were going to be required. For some the one-off setting up of a computer system and software geared for running a micro-business was needed as was access to reliable technical advice. As a small business they no longer had access to an IT help desk.

*"I bought in computing services when I first set myself up, to set up all your systems and your emails and so on and so on."* Sandra

## FINANCIAL MANAGEMENT

Many of the interviewees had experience as employees with financial matters, such as managing a budget, but few had skills or responsibilities in managing cashflows on a day-to-day basis. They certainly had not been involved in the accounting side, debtor management or taxation.

In terms of skill gaps, book-keeping, managing cash flows, sending out invoices and taxation were areas highlighted.

Some were already using accounting applications such as Xero or MYOB, while others relied on manual records or a spreadsheet.

*"Well, I'm absolutely hopeless at it - I'm going to be honest, my head swims. I don't enjoy that side of it, to be honest. In a perfect world I would love somebody to come along and be able to say, well, this is what you have to do. ...And this is how you do your bookwork and just have it as a condensed sort of thing. But I mean, you know, there just doesn't really seem to be that sort of thing out there accessible in a simple form for people that need a bit of help."* Raewyn

## BUSINESS PLANNING AND GENERAL BUSINESS SKILLS

The interviewees identified areas such as general management, administration, pricing, making proposals, planning a business as priorities. Given the importance of having a business model reasonably well developed before committing too much time, money and energy to starting a new venture, this gap requires attention.

*"Some training around that (business planning) and training around pricing it, and how you do it, how you do proposals, that sort of stuff."* Raewyn

## CONFIDENCE

One of the attributes that can easily go unnoticed or be overestimated among new senior entrepreneurs are their levels of self-confidence, self-belief and resilience. When getting into business later in life, a sense of being on the right pathway and a belief that you can learn the new skills you need, may mean the difference between ultimate success and failure.

While some interviewees felt they had the confidence to deal with the challenges of setting up their business and gaining any new skills required, many felt uncertain, lacking self-belief and inner confidence.

They had feelings of inadequacy, their self-esteem and self-respect had been dented due to redundancy and, in a number of cases, an inability to find alternative employment.

The road ahead seemed daunting and demanding without support. Those that lacked confidence or whose self-esteem had taken a hit wanted to be reassured that, with support, they could succeed. This insight requires that particular attention is paid in service and programme design to providing support, and to developing approaches that will build confidence and resilience. Connections to local networking groups and others in similar early-stages of business building may be particularly helpful.

“

*I think probably another gap would be around motivation, like it takes a lot of effort to be self-employed and sometimes I've got it and sometimes I don't. Oftentimes it's a bit of a challenge. So I think my challenge is around keeping on keeping on. ...self-doubt has often plagued my progression. And so that's often slowed down the train wheels. So, I think, probably having a stronger belief in myself would help me a lot. ...I've been working on my self-esteem all my life ...that kind of area of self-confidence and belief and self. ...And that's what we have in the business mentor. She's just kind of saying, hey, I get you, hang in there, keep going sort of thing.* Liz

“

*...it's like a roller coaster, I think, really, isn't it? You have days and you think you're going to conquer the whole of New Zealand and then other days you think, oh, nobody loves me, ...and I have massive dents in it. And you have a lot of self-doubt. Yeah.* Reg

## MARKETING AND SELLING SKILLS

A lack of experience in marketing and selling skills was an issue commented on by numerous interviewees. The majority had worked in organisations that were large enough to have a separate department or section that dealt with marketing and sales. Although some had represented their company at events, they did not have formal marketing or selling responsibilities. This was a new challenge for most, but with a lot more at stake for their business.

*“...certainly my selling skills need to be of a high level because you don't survive if you can't sell. ...the ability to market and engage in branding, market positioning, and such things are important.”* Philip

Interestingly, people did not articulate the need to have a traditional marketing plan.

Many of the old-style traditional hard core marketing techniques (magazines, radio, TV, billboards, flyers etc) were not particularly relevant and have been replaced by social media, which was a source of considerable anxiety and need among the interviewees.

## SOCIAL MEDIA SKILLS

This was the major skill gap identified by those interviewed. This included being able to identify which platforms were needed for their business type, setting up social media technologies and the skills in using them to optimise their digital presence.

The more experienced entrepreneurs in the focus groups counselled that there is a tendency to be overwhelmed by the hype and glamour of social media platforms and the need to have a digital presence. In reality they advised people to determine what is actually required at the launch of the new business and what can wait. *“Learn about social media but don't obsess about it”* was the clear message.

## NETWORKING

Most interviewees recognised that networking was very important for the success of their new business. While they had developed good interpersonal skills during their working lives it was still a challenge joining into new networking groups in a different environment and with more at stake.

*“So trying to learn networking skills, the people that are perhaps in a different demographic to myself and people that have got a different socioeconomic background to myself, that can be quite testing. It's been quite an eye opener, actually.”* Reg

The transition from employee to entrepreneur is a challenge, particularly later in life. Most emerging senior entrepreneurs starting their first business do so on their own - they become responsible for all the activities of their start-up, a major transition for most.

### 4.3.8 Running the business

The transition from employee to setting up and running a business can present a number of challenges. The major one being the need to become a 'jack of all trades'. From working in large organisations where they had access to specialist IT, marketing and financial services departments, they were now on their own.

Other challenges ranged from dealing with regulations, bureaucracies, cash flow, setting up IT systems, loneliness as a sole operator, to balancing growth opportunities with lifestyle considerations.

“

*If I had known how hard it would be. Yeah, I don't think I would've started.* Kate

“

*Yes - food safety, food handling, all of that. Yeah, that was massive. That was .. and the audit, you know when they come in.* Kelly

“

*So, it's a bit of a lonely start. But worthwhile in the end, though.* Amanda

The main challenges fell into three areas, marketing, business planning and juggling family responsibilities. Despite this, people universally identified significant rewards.

## MARKETING

Two main themes emerged, product design and distribution and the skills to sell and promote their product or services.

“

*So we are running at a bit of a loss at the moment. Passion drove me to design [book] so that was all OK, but as far as the business side, um.... it was really a.. biggest fault on my part was underestimating how difficult it is to distribute... But if I could get the distribution of this going again, I would at least have some money coming in just ticking over. But I just need to find the time now, so time is my problem. I'm a bit time poor. I tried to get a publisher but you need to be quite well known to get a publisher. My budget and my sales projections were way out because the people that I spoke with said that they would buy one, and so therefore I took that as a sale... I talked to about a hundred people that were all interested, but that's just a hundred. I printed three thousand.* Ella

“

*Just getting money out of the product. And it's still complicated. I mean it comes down to marketing, really. I mean, you've got to have the product [music recordings], you've got to have it heard by the right people. And self-promotion. I mean, that's one of the big things, is that you've got to work with the artists, to make sure that they are on board with what their role is. It can't all be done by somebody like myself.* Michael

“

*So, I tried to get myself out there without spending too much money, but I'm still spending a lot of money... how do I take this to the next stage? So the gaps are the funding thing, how do I really promote myself well enough that people understand what I offer.* Alison

“

*I am not good at self-promotion, marketing and the 'hard sell'. I had to practice marketing myself. But I am good at meeting people. And I produced some written material.* Ronald

## BUSINESS PLANNING

While it is generally expected that a business will have a business plan, even if embryonic, what struck us was how few interviewees had a clearly articulated business plan, let alone a strategic plan. Start-up mentors often use iterations of the Lean Canvas model, for example business canvas templates, problem – solution analysis, market validation methods, while the government's website [business.govt.nz](http://business.govt.nz) has downloadable templates. Few of our interviewees had done a plan or were aware of these tools and resources. If they had goals for their business they were often personal goals rather than business goals. For some it was a case of simply pursuing an idea or a vision with little rigour being applied.

When one interviewee was asked if she had a business plan she replied *"Yes, it's just, ah, work till I'm at least 70."* This was not too dissimilar to another who, while acknowledging that her husband may have a strategic plan, she was unaware of it as a co-director. Her goal was, *"Yeah, pay off the friggen mortgage."* For another the response was *"Not really. It's probably something in my head. I have a lifestyle that I really like, and I want to continue to contribute to that lifestyle."* For another, who was establishing an online-content creating business with his daughter, the goal was clear, *"It's all about money. That's all it is. Would probably keep a similar format, just her and I doing stuff. But it's about getting enough people watching, so it can make money."* [Colin]

For several there was an ambivalence towards growing their business further. Others felt that the nature or size of their business didn't necessarily lend itself to planning.

The minority who had clear business plans in place had most often brought the discipline, skills and frameworks with them into the new venture from previous sales or business management roles.

“

*I know everyone talks about the next stage, eh? You know, that next stage? I just think of 'next stage' as more work... And we work hard enough. And it's kind of like, nah.* Kate

“

*My business goal is to have an internationally recognised product. I don't know if I want to grow it too much, quite honestly. I just want to keep it the way it is.* Michael

“

*There can't be any goals in my business [gardening]. You take the hits when they come along and you grab that when they come up, and that a lot of times I win the battle with more business because of the people I associate with.* Des

“

*When it comes to... We have no plan, we have no budget, we have no website, we have no salesperson. We don't do anything and we don't have any vision, future, anything, for our business... So here we are seven and a half years down the track. We do a pretty good job at what we do. And you know there's really two things people want: their [product] to look like the picture you send them to sign off and on-time delivery.* Kate

“

*So we had to see growth every year. And where was that growth coming from? Was it, you know, me going to markets continuously all year, then it was, okay we've got the [supermarket] arm now. You know caterers. So we had different parts that we knew we could grow.* Kelly

“

*Yes, I do. I certainly do have a business plan. I've modified it three times."* Ella

“

*"And we've had strategies each year, to build the business."* Linda



## JUGGLING FAMILY RESPONSIBILITIES

For some, setting up a new business and running it day to day also involved juggling family responsibilities. These involved care of dependent ageing parents, grandchildren with special needs or finding time to spend with partners and grandchildren.

“

*Yes, some of your time that you thought you were going to use for other things has disappeared. Yeah. And your grandchildren ... and you think 'oh I would like to be away for a couple of weeks and... 'But you can't, so there is a disadvantage from the family life. Especially grandchildren. I am sure... we're at a time now I think, that if we disappeared for a week, the business wouldn't even worry. Because I've got competent people running it.*  
Stanley

“

*I don't think there's sufficient recognition of the amount of juggling we have to do to make it work [caring for an elderly mother while continuing to work].* Linda

“

*So I have a big role in our home with the boys. A seventeen year old, a twelve year old and an eleven year old who is non-verbal autistic. So a big role, dropping to school, picking up from school, babysitting, doctor's appointments all those sorts of things. Also doing some meals, washing, ironing, all the things that young mums struggle to fit in their day. So basically supporting my daughter and son in law who both own businesses as well. So between the three of us we own four businesses now. So that's kind of a crazy day to day life.* Kelly

### 4.3.9 Rewards

Despite the challenges, many interviewees spoke of the rewards and benefits from being in business. These were most often intrinsic and aligned with their motivations for starting a business later in life.

“

*The people who have bought (my) journals who send me an email saying 'I just love it'. It's exactly what I need. It's changed my life, it's made me more confident, it's given me courage. All the things that I knew it would do.*  
Ella

“

*I love what I do. I love the independence. Uh. I love that I can choose how hard I work. How often I work... I choose my customers, and that's really interesting. As I said earlier, I only choose interesting stuff.* Margaret

“

*We donate a lot and we give away a lot. Because I have been given the privilege of being able to open up a business with a gift. And I'll never forget that... I think that's just really satisfying to be able to have liberties that you may not have working for someone else.* Kate

“

*I love seeing people enjoy our products... I'm not 100 percent dependent on it making me a lot of money. It's more that I'd rather do this and love it, than do a job that I don't love... Control is the biggest thing. I don't want to get back into that under the pump lifestyle again.*

Kelly

“

*I would like to see it all making money now, of course, but it's not a worry, because it's only time. But the satisfaction of having a great time with my daughter, and we're putting out stuff - some of it's funny some of it's not so funny.*

Colin

“

*So the satisfaction is I really like playing with technology. I'm not into technology for technology's sake. I have to have a reason, and this is a brilliant reason. It's so rewarding to be working on this. And I'm learning stuff, having to constantly face challenges to solve problems and stuff like that. And I just live off that. I thrive off that.*

Bill

### Figure 4.10 25 Rewards from Starting a Business

Source: Interviewees

- |  |   |
|--|---|
| 1 Independence                                     | 15 The clients we deal with                     |
| 2 Flexibility                                      | 16 Creating your own destiny                    |
| 3 Freedom from being an employee                   | 17 Philanthropy and being able to give back     |
| 4 Be your own boss and can make your own decisions | 18 Intergenerational time                       |
| 5 Working with people                              | 19 Learning new stuff                           |
| 6 Problem solving                                  | 20 Facing challenges and solving problems       |
| 7 Intellectual challenges                          | 21 Financial rewards – not big but sufficient   |
| 8 Keeping your brain going                         | 22 Seeing my business working                   |
| 9 Making new discoveries that are patented         | 23 Personal satisfaction and pride in what I do |
| 10 Achievement and recognition                     | 24 Purpose                                      |
| 11 Satisfied customers                             | 25 Feeling of achieving something               |
| 12 Seeing client growth and personal change        |   |
| 13 Seeing people enjoy our products                |   |
| 14 Variety   |   |

### 4.3.10 Thinking about the future

Comparing the two groups of respondents from the 2018 HWR survey, we found that those who had set up a business were less likely to be planning to retire than those in employment. Over a third of those in business had no intention to exit the paid workforce. On the other hand 82 per cent of those in employment had plans to retire, the mean intended age of retirement being 67.5. Of those who had set up a business and indicated they planned to retire at some stage, the mean age at which they saw themselves exiting paid work was 72.2 years. Retirement intentions are notoriously unreliable as an indicator of when people actually retire, as many factors can intervene, nonetheless the ages at which people believe they would like to retire can give us insights into how people would like their futures to play out.

The majority of people we interviewed in-depth were aged 60 – 69, with four aged under 60 and three over the age of 70. The key factor shaping the way they thought about retirement was not age, gender, ethnicity or accumulated wealth, but rather their motivation for having started a business in the first place.

Of the five entrepreneurial orientations the **Investors** had the clearest views about retirement. While one did not see themselves ever withdrawing from business they did see themselves being less involved day to day operations and more engaged in community activities. They had a succession plan in place for the business that involved family. For the couple who bought the business as a means of financing a retirement, the dream remained alive, despite their current financial challenges due to a sector downturn, seen as a mere set back.

The group least likely to be thinking about retirement was the **Difference Makers**. Their motivation to make a difference was what drove them and had characterised their lives, not just their careers. One who had left fulltime employment was now pursuing a technology start-up while another who could have retired early, and in fact tried it, was now engaged in the development of a green energy high risk venture.

“

*Retirement for [husband] would be going to the races all the time. The country races and things like that, because he loves that sort of stuff. To me just pottering around. I love meeting friends for walking, going for coffee somewhere. Maybe travel.* Lydia

“

*I think I've got to be active in something. And it might be more voluntary. There's a lot of little things that we can do to help our community.* Stanley

“

*I always said I would never retire completely because I just can't imagine it. To me, retirement is going out and having coffee with people every day. Maybe going to movies and stuff. It's a very passive thing. I'm busier and more involved now than I have been for a long time. It reminds me of my early days, when I was so passionate about what I was doing because I was learning so much. And that's exactly what's going on now. And if I can keep doing this till the day I drop, I'll be very happy.* Bill

“

*I got to a point when I was about 50 where I could financially retire. I tried it for a year or so and hated it. Bored out of my mind. What do you fill your day with when you retire? I mean, my children are flown the nest. Hopefully grandchildren may turn up at some point in the intermediate future. Golf clubs and Masonic Lodges and all the rest have always struck me as being rather absurd.* Nigel

“

*My husband and I spoke about that last night. He says, 'you're never going to stop working, are you?', I said, 'no, probably not'. That's the nature of being a Māori woman. The older you get, the more you are needed.* Margaret

The **Direction Changers** didn't talk about business succession or retirement intentions apart from one who was relocating with her husband who was retiring from his vocation. For the other three it was very much life goes on and seeing themselves continuing to work into the future, albeit more flexibly. They had made a significant decision later in life to take a new direction which they were going to see through.

“

*And I believe you have a social responsibility if you've got good health, to still give back. Because I think the word retirement is a social constraint, and you think you're going to spend your years playing golf and traveling around the world and boring your wife to death. And I'm talking about men in particular. You know, go and dig yourself an early grave. Look in five years' time, 75, I just want to be happily churning this stuff [art] out. And I know, and even into my 90's, if I can hold whatever, I still want to create. ...If I can do that I'll be a happy man.* Philip

“

*You go to Paris and you can be like an 82 year old art dealer if you want. So I think that's why I got into art. There is no upper age limit. Then if you want to do it you can keep going for as long as you want.* Linda

The **Opportunity Takers** were a mixed group with a number having tentative plans or at least some thoughts for exiting their businesses. All were happy to talk about retirement although for the majority how they saw others living this life stage was not attractive to them, it just didn't present the type of opportunities that would satisfy them. One who had 'retired' from a senior role in the public sector to immediately take up private consulting work, still had a notional age at which he was going to fully retire, his being a case of retirement deferred.

“

*It's a hard one, eh? I've kind of thought, what do you do with the business? I don't know if I could keep working 70 to 80 hours a week for the next 10 years. Nah, I couldn't do that.* Kate

“

*I just can't get my head around retirement to be honest. I don't know whether it's just me. I'm just not the sort of person to sit and do nothing. I just know of some people, friends of mine who are older that have retired, and they really don't do a lot. I think, 'God, all they do is sit at home and do stuff on their laptops.' And I think so many older people have a lot of knowledge and life skills that can be passed on to someone else.* Kelly

“

*I see so many of my age group who leave work, they've basically worked all their life, devoting their life to a job, and they think that retirement's going to be a big rest. Well, the thing about retirement is that it's not gonna happen to me. I mean to me it's activity. And if you make money out of it, that's a bonus.* Michael

Being dependent on their additional income to live, none of the **Needs Must** group had specific plans to retire, although some had concerns about the future, being unsure how long they could keep working given health concerns.

“

*I'm a senior citizen, trying to survive. I'm 69 now I could still be doing this in ten years' time.* James



“

*All my pension really does is pay my rent and my power. The rest of it has to come from somebody. Old lawnmower men never stop, they die behind the mower.* Des

“

*I have this philosophy and I haven't finished yet, I have a responsibility to hand my knowledge down to younger people.* James

Significant was also the way in which people, irrespective of their entrepreneurial orientation, talked about ageing and retirement. People often contrasted how they saw their future with that of people they knew and rejecting their views of retirement and ageing.

“

*In Te Ao Māori, Kaumātua wisdom is esteemed, but in Te Ao Pakeha, it's really sad that it's not. You know... there's a use by date, and that's just nonsense. Because most of my neighbours are elderly Pakeha people. And I just watch them and I think, crikey... It's quite sad, really.* Margaret

“

*I could go down and join the Bowling Club, that doesn't interest me" or you retire at 60. You go on a big world trip. And then you come home and watch TV. And watch the grandkids.* James

### 4.3.11 Recommendations to others wanting to start a business

Wanting to tap into the experience and wisdom of these trailblazers, the twenty in-depth interviewees were asked what advice they would give to others contemplating the option of starting a business later in life. No one counselled against starting a business. The vast majority were encouraging suggesting “just do it and back yourself”.

“

*Don't be scared. Don't be frightened. And trust yourself. You're your best backer.* Margaret

“

*I just think if you've got some ambition to try something, if you've got a passion and want to do it, then bloody go for it. Why stop yourself?* Kelly

“

*Look at it carefully and if that's what you want, go for it... because you know you'll always kick yourself if you don't have a go at something afterwards. But if you've looked at that and said 'that's no good' you don't kick yourself anymore.* Stanley

“

*I would say first of all, don't start off by talking about business. Start off with the idea. People who start often say, 'We need a business.' They might as well just import stuff and sell it. So the important thing is the idea. Don't risk your money, just risk your time. And if you've got an idea, then really follow it through, to the point where you can explain it to somebody as a viable proposition. Going out on your own is probably quite hard. So you do need to get other people on board.* Bill

## Figure 4.11 Advice for People Starting a Business

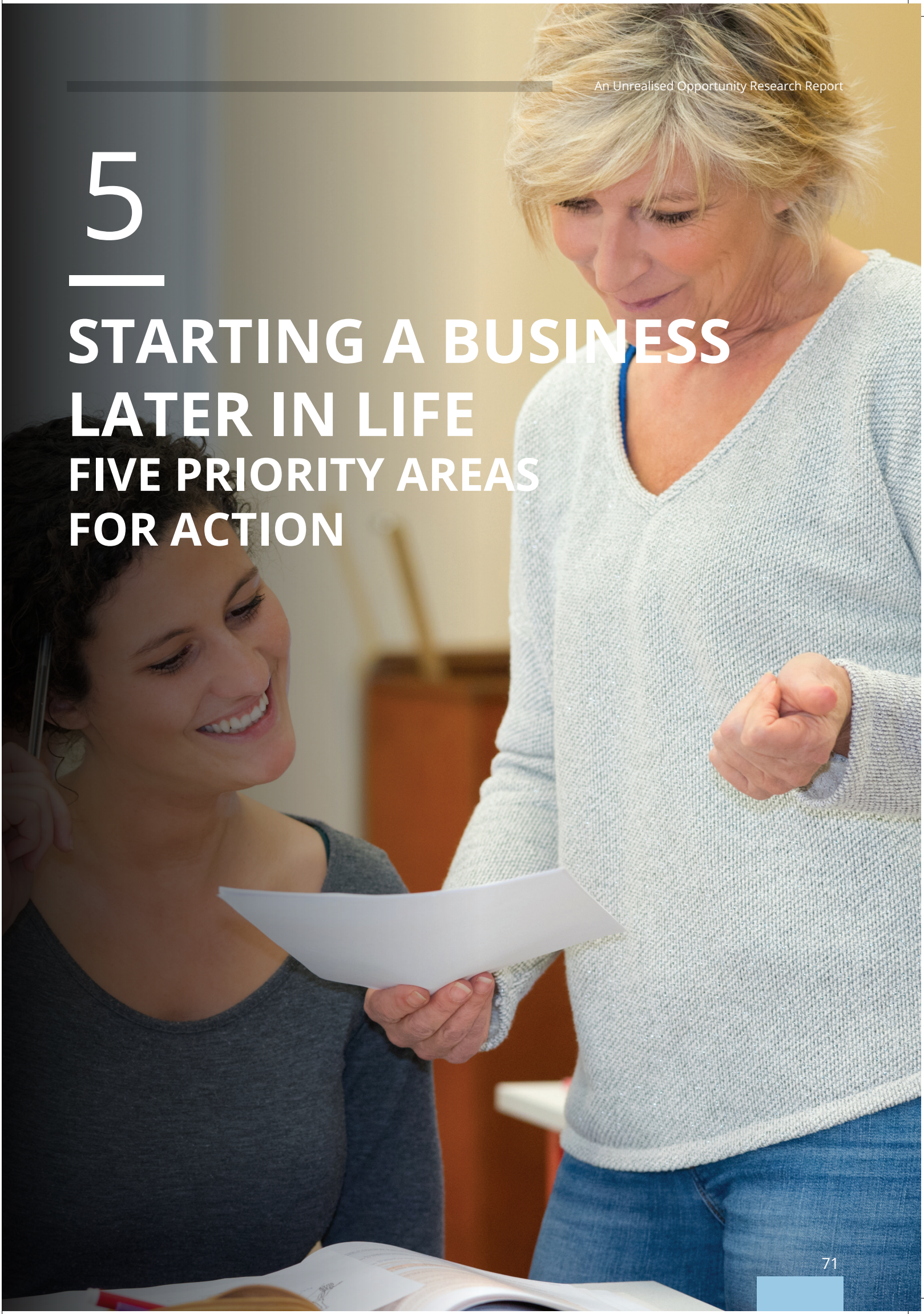
Source: Interviewees

- 1 Be clear about your purpose and why you are going into business.
- 2 Test yourself and your idea before you invest too much time and money.
- 3 Be honest with yourself. Look at your health and your motivation and ask if you can sustain both for a period of prolonged stress.
- 4 Keep your costs to a minimum.
- 5 Work out how much money you can afford to lose and don't spend more than that.
- 6 You have got to put your whole heart and soul into it. It is hard work and impacts those around you.
- 7 Do due diligence on your idea aware it may still fail.
- 8 Perfection is not always an asset. Just do it, test, modify and iterate.
- 9 Make quick mistakes, learn and move on.
- 10 Minimise your risks whether it be through keeping your day job, doing prototypes or taking small steps.
- 11 It is important to maintain balance and ensure you still enjoy life and have fun.
- 12 It's intense and will take a lot more of your time than you think.
- 13 Be flexible as it might not go the way you want it to.
- 14 Create a support network around you, not just people like you. Include younger people.
- 15 Talk to others even if it's your competition and learn from them.
- 16 Access all the free advice and support that is out there.
- 17 If you are going to be in business you need to learn how to sell.
- 18 Get good business advice, sometimes it is worth paying good money for good advice.



# 5

## — STARTING A BUSINESS LATER IN LIFE FIVE PRIORITY AREAS FOR ACTION





Having interviewed forty three people who had started a business later in life or were considering this option, run regional workshops and focus groups, reviewed the international literature and talked with key people in the innovation eco-system, a number of actions have been identified to support this emerging and growing trend.

The trend has been clearly established, increasing numbers of people are exploring the possibility and starting businesses for the first time in later life. Their motivations are varied - generating an income, the desire to make a difference, the pursuit of a new direction in life or the spotting of an attractive opportunity they can't walk away from. Underpinning the recommendations is a strong belief in human agency and the need to empower people to create their own futures. It is recognised that we all operate within social, economic and cultural structures and constraints. The role of government and support agencies is to ensure equity of opportunity, remove roadblocks and create inclusive pathways, facilitate access to resources and to grow individual and system capability.

### Five Priorities



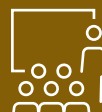
**Build an evidence base - develop policy**



**Change the narrative - create options**



**Focus on life stage - improve access to advice**



**Promote learning for a longer life - deliver customised programmes**



**Strengthen local innovation eco-systems - collaborate for inclusion**



## 5.1 BUILD AN EVIDENCE BASE DEVELOP POLICY

Very little is known about who starts a business later in life in Aotearoa New Zealand, the numbers who pursue this option, the types of businesses they start and their survival rate. Most accounts are anecdotal. If we are to develop evidence - informed policy and programmes the data gap must be closed.

### 5.1.1 Data gaps – what we don't know

Central Government agencies that could be expected to have data on those who start businesses do not collect it. We have no way of knowing the answer to the question, “how many people are starting a business later in life?” By contrast we have excellent data on NEETS (youth not in education, employment or training).

We were able to request a customised report from Statistics New Zealand on the age distribution of those who, in the Household Labour Survey, reported as ‘self-employed without employees’ or ‘self-employed with employees’.

At this stage there is no requirement in New Zealand for a business to register for a New Zealand Business Number (NZBN). In Australia it is mandatory. Even if people voluntarily acquire a NZBN the registration process does not collect data on the business owner that would enable us to answer the questions we are asking. If a business decides to register as a company, demographic data on the directors is not collected.

### 5.1.2 Policy focus – what is needed

Globally, a number of jurisdictions have policies that encourage and support people who move into self-employment and start businesses later in life. Paying attention to this trend may be considered a lower priority, given that the dominant focus of government agencies, higher education and economic development entities is on younger people and high growth, high value start-ups. Our research has shown that there are increasing numbers of older people starting businesses for the first time. While they may not be growth-

oriented or commercialising novel ideas, these businesses do contribute economically and socially at an individual, whanau/family and community level.

“

*We need to continue to work on better cross agency/all of government co-ordination of policy and services and what the issues/barriers and opportunities are to better support senior entrepreneurship.* Workshop participant

“

*Better data is required - we don't know the numbers and what people are doing.* EDA Manager

### 5.1.3 Recommendations

#### Recommendation 1

Government investigate and develop effective means for collecting demographic data on people starting businesses.

#### Recommendation 2

Government identify a responsible agency and establish a policy focus, within current resources, which tracks developments and provides advice to government on senior entrepreneurship.

#### Recommendation 3

Government identifies and addresses policy and programme barriers that prevent or discourage people later in life from starting a business.

## 5.2 CHANGE THE NARRATIVE CREATE OPTIONS

There was a clarion call from interviewees and workshop participants to reframe the dominant narrative on age and ageing - which is best summarised as one of disengagement and decline. The US Frame Works Institute (2017) propose two alternative narratives. The first is based on notions of social justice and argues that ageism in all its guises needs to be confronted by exposing discrimination and disadvantage based on age. The second, and complementary approach, recommends adopting a narrative which communicates a positive vision of age and ageing and recasts our ageing population as an untapped resource. This latter approach recommends broad-based public education programmes that challenge the myths of ageing and open stakeholders and the public's eyes to the potential of an ageing population. This approach would address the challenges of ageing and recognise and value the cumulative nature of experience and wisdom.

### 5.2.1 Challenge the myths

The dominant narrative in respect of ageing and work remains a linear three life stage framing; we learn, we work and raise a family and then we retire. The evidence is that this model is no longer realistic and does not reflect the ways in which people are now constructing their lives.

However, the language used by politicians, community leaders, the media, social influencers, financial services and members of the community does not adequately reflect this changing reality.

A number of myths surrounding age and work endure, not the least that older workers staying on displace younger workers; that older workers are not as adept at technology; and that New Zealand has a retirement age. Likewise when it comes to who starts businesses, the dominant perception of an entrepreneur is a young person who creates a technology start-up that is scalable with growth potential. The belief is that people starting a business later in life are doing it for lifestyle reasons - 'hobbyists' or 'life-stylers'.

A 2017 UK report<sup>xx</sup> noted that major shifts in perceptions of what is a 'normal' working life or the so called 'retirement age' demands change on a scale that can only be achieved when governments work closely with diverse social partners and agencies. In other words, a concerted approach needs to be taken to challenging the dominant narrative to reframe ageing and work.

“

*Please tell stories about over 50's starting business. Not the hype or super successful, just ordinary people.* Workshop participant

“

*Fund a [media] programme profiling people 65 plus who are senior entrepreneurs and pursuing other activities that dispel the retirement myth.* Workshop participant

“

*The retirement narrative is not helpful and needs to change.* Workshop participant

“

*Why not profile senior entrepreneurs as positive, inspiring role models.* Workshop participant

## 5.2.2 Profile the many faces of success

A concerted effort to create an awareness of the potential of senior entrepreneurship as a later-career option is required. Publicity is needed that profiles a diverse range of people navigating this life stage with a view to legitimating later life entrepreneurship and educating not only potential senior entrepreneurs, but also the different stakeholder groups (friends and family, customers, financiers, business support agencies, government agencies). The goal is to challenge negative age-biases and to create options for those who wish to remain economically engaged.

This research interviewed forty-three people who had started a business or were planning to. Their stories were diverse, their experiences mixed, but all contested conventional notions of age and ageing.

## 5.2.3 Recommendations

### Recommendation 4

Government work with key stakeholders to run a concerted public education programme on ageing and work.

### Recommendation 5

Key stakeholders profile, through business and popular media, stories of ordinary older New Zealanders engaged in entrepreneurial activity.



## 5.3 FOCUS ON LIFE STAGE IMPROVE ACCESS TO ADVICE

It is now recognised that, due to increased longevity, 'midlife' has become the longest period of a person's life. Some researchers suggest it starts as early as 35 (Freund and Ritter, 2009) and ends as late as 75 (Lachman, 2004). Generally, the core period of midlife has been considered as ages 45 to 65. We would argue that 'midlife' should be seen as a life stage rather than an age range.

Conely et al (2020)<sup>xxi</sup> conclude that "while the idea of the midlife crisis has been debunked, midlife has been found as a unique time as it confronts individuals with the highest density of life events. A period which challenges individuals to learn how to navigate frequent growth and loss experiences."

### 5.3.1 Access to life stage career advice

One of the areas to be navigated is career, work and ageing. The reality is that at age fifty a person may still have another 20-25 years of active engagement in paid work ahead of them. Yet if an older person loses their job, it can take them almost twice as long, compared to younger people, to get back into employment. This has been recognised in the development of mid-career programmes in the UK, Australia and Singapore.<sup>xxii</sup> These programmes target individuals whose jobs may be at risk due to changes in technology or labour market movements. They are an early intervention aimed at preventing individuals requiring income support and assisting them to transition to the next stage in their working lives.

This could be considered in the context of current Government's work on a New Zealand Income Insurance Scheme.

### 5.3.2 Access to government services and support

The primary policy response to people who find themselves out of work is to focus on getting them back into employment. Yet many who lose their jobs later in life see it as a time to rethink the next stage. This may include decreasing or increasing their hours of paid work, retraining, re-careering or starting a business. They often do not access government services in the belief that if they do not qualify for income support then other services are not for them. This perception can become a blockage to accessing available non-financial support and advice.

The eligibility criteria for accessing government programmes in New Zealand such as Flexi Wage for Self-Employment, Business Training and Advice Grant and the Self Employment Start Up payment would have excluded all of our interviewees.

## CASE STUDY

### Skills Checkpoint Australia.

The Skills Checkpoint Program aims to support older Australians aged 45 to 70, whose jobs are at risk, by providing targeted support to help them stay in the workforce. This program is aimed at individuals who are employed or recently unemployed and at risk of entering the income support system.

Skills Checkpoint provides personalised advice and guidance on upskilling in a current job, transitioning into new roles within a current industry or pathways to new careers, including options for relevant education and training. It helps older workers answer the question "What's my next career move?"

Participants may also be eligible to access matched funding for approved training. Evidence suggests it is effective as an early intervention response for individuals facing technological disruption in their industry, changing demands for labour and needing to reskill.<sup>xxiii</sup>



The current eligibility criteria is; *“the applicant must be out of work, and aged 18 or older and not qualified to receive NZ Super, and disadvantaged in the local labour market, and at risk of likelihood of long-term benefit dependency (this usually means you are getting a benefit or you qualify for one), and able to meet the residency criteria.”*<sup>xxiv</sup>

Australia has decoupled the provision of funding support to start a business from the income support system and has more permissive criteria. The eligibility criteria most often is *‘to be available to participate in the program, have the right to work in Australia and not be studying or working for more than 25 hours per week’*.<sup>xxv</sup>

### 5.3.3 Access to information and resources

Difficulty in accessing relevant information was a consistent theme for those interviewed and from the workshops. There was a clear disconnect between those who had started a business or were thinking about it and awareness of the services available. Many of the services sought or recommended as needed by our interviewees in fact already existed. Business support and government agencies were somewhat mystified by this as they were providing many of the services requested either online or in their communities. Being eligible for National Superannuation also excluded the 65 plus population from some support. This underlines the need for greater awareness of what is available and how to access resources.

In the UK, IPPR North<sup>xxviii</sup> (2017) recommended that well-publicised support for older entrepreneurs and people seeking self-employment should be developed. They argued that the advice should be integrated with other small business and start-up advice offered by local authorities and their partners. They also recommended the inclusion of specific guidance for older people.

### 5.3.4 Recommendations

#### Recommendation 6

Government fund mid-career guidance programmes for people whose jobs are at risk and for those considering alternative options.

#### Recommendation 7

Government decouple the provision of funded business support from income support and review and broaden the eligibility criteria for programmes such as the Business and Training and Advice Grant and the Self Employment Start Up Payment, to include non-beneficiaries.

#### Recommendation 8

MBIE build a ‘Starting a Business Later in Life’ web page within the business.govt.nz. website as a ‘one stop shop’ for those considering this option.

#### Recommendation 9

Government provide resources to assist business support agencies to improve engagement with and support for people wishing to start a business later in life.

#### Recommendation 10

Government actively promote business development programmes through non-traditional channels.

#### Recommendation 11

Economic development agencies work with key business support agencies to offer ‘Starting a Business in Later Life’ seminars in venues such as libraries, marae and community centres.

## 5.4 PROMOTE LEARNING FOR A LONGER LIFE DELIVER CUSTOMISED PROGRAMMES

There is little available in the community or through training providers by way of workshops or courses that address the unique challenges and needs experienced by people as they navigate mid and later life.<sup>xxix</sup> What is available in respect to these life stages tends to be about 'retirement' with a bias towards financial planning. This research has reinforced what we have known for a long time: people as they age want and need to remain engaged in learning for a variety of reasons. Education and training remains concentrated in the early years of a career and largely credential focussed. The reality is that we are not well prepared to live a longer and more meaningful life and to reap the benefits of longevity.

Those starting a business for the first time, after maybe 30 – 40 years in the workforce, have a unique starting point. They have considerable accumulated knowledge and skill and are at a life stage where their motivations may differ from younger learners and entrepreneurs. It was clear from the research that learning needed to be 'just in time' and 'just enough' for the particular needs of individuals, and accessible in a variety of modes, while acknowledging and valuing acquired knowledge, skill and experience.

### 5.4.1 Learning for a longer life

The idea of Lifelong Learning can be traced back to the 1920's and was popularised by UNESCO in the 1970's. It has largely been associated with adult and community education and non-formal learning. More recently NZQA in its Statement of Intent 2019/2 - 2022/23<sup>xxx</sup> recognised that "People will need to engage in learning throughout their lives to keep pace with changes in the nature of work arising from rapid social, economic and technological advances." They recognise that for some people this will involve formal qualifications; for others, micro-credentials will be more appropriate. The Tertiary Education Commission stated that they are, "committed to shaping a dynamic system that delivers lifelong learning and equips learners, communities and employers for success."

Chip Conley (2020) has reframed the phrase 'lifelong learning,' arguing the need for education and learning that is focussed on living a longer life – '*Learning for a longer life.*' Conley observes that people are advised that lifelong learning will help them compete in an increasingly competitive workplace, but most lifelong learning programmes

pay little attention to the unique challenges and needs experienced by people navigating mid and later life.

Life stage thinking has generally not been factored into programme structure, learning design or accessibility by providers. There is a clear gap in the educational landscape that presents an opportunity to focus on developing learning responses, including ongoing career development, 're-careering' and transition education better aligned to life stages and the prospect of not only a longer working life, but a longer life.

“

*We require education that is relevant in the 100 year life environment.* Workshop participant

### 5.4.2 Education and training

The literature on senior entrepreneurship acknowledges the need for education, training and support for people starting a business later in life. However few studies have looked at the specific learning and support needs of this group. It has been generally assumed by policy makers, instructional designers and providers that someone starting a business in their fifties will have similar learning needs to someone in their thirties. The limited literature and this research challenges this assumption.

Our research produced a number of instructive insights. It clearly showed that what people most needed in starting a business was 'just in time' and 'just enough' learning, not lengthy workshops

or micro-credentials. Their accumulated skills, knowledge and experience needed to be validated, contextualised to a new setting and built on. They also needed wrap-around mentoring and peer support that recognised not only their life stage, and at times lack of confidence, but also their motivation and rationale for starting a business.

### 5.4.3 Moving beyond the DIY mindset

New Zealanders are often characterised as having a strong ‘do it yourself’ mentality. This is seen as a virtue and used to describe a Kiwi’s ability to improvise and adapt in order to solve problems by using readily available resources. It can be a source of innovation, but also a blockage to accessing advice, support and resources early on. Self-doubt and a lack of confidence can also work against seeking the counsel of others.

The ‘do it yourself’ approach to starting a business was very evident among our interviewees. Many set up their businesses with little support.

“

*We need a one stop shop to get anyone with an idea going in the right direction and support them through it.* Workshop participant

“

*What is needed is a no wrong door approach.* Workshop participant

“

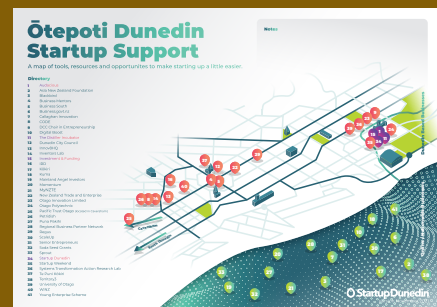
*Every founder has gaps in their knowledge that can act to undermine their self-confidence and disempower them.* General Manager Startup Dunedin

They muddled through the process reliant on accumulated experience, the advice of family and friends, Google searching, websites and You Tube videos. Some did, by chance, discover the business.govt.nz. website. For many the only professional

## CASE STUDY

### Otepoti Dunedin Startup Support

Startup Dunedin, with funding support from Callaghan Innovation, has developed a road map of tools, resources and opportunities designed to make starting up easier. Produced as a two-sided A3 document, pads of these sheets will be available in libraries, banks, cafes, business support agencies etc., and are downloadable from their website. The inspiration came from a comment made at one of the regional research workshops that what was needed was a ‘no wrong door approach’.<sup>xxxi</sup>



## CASE STUDY

### Exploring Being My Own Boss Workshops

The Australian Government offers **Exploring Being My Own Boss** workshops, which give an understanding of self-employment and entrepreneurship. The workshops are aimed at people who might have a business idea or dream of being their own boss, but don't know where to start. By the end of the free programme people are better able to identify business opportunities and have an understanding of what's involved when starting a business. The workshops include 10 sessions delivered over 2 to 4 weeks and are delivered by workshop providers online, face-to-face or using a mixture of both.<sup>xxxii</sup>

advisor was an accountant, primarily for taxation advice. A number indicated they would have liked to have sought advice. However, the costs during the early stages of starting a business were prohibitive.

#### 5.4.4 Start-up programmes

Entrepreneurship programmes, start-up events and training are purported to be 'life stage agnostic'. However, they generally have an implicit bias towards a younger cohort of learners. While there is immense value in intergenerational programmes,

the literature, international experience and this research has shown a need for life stage specific start-up programmes.

“

*We need a Start-up Programme that helps you to start a business and to recognise and identify your motivations and your purpose with starting your own business.* Workshop participant

## CASE STUDIES

### Starting a Business in Later Life.

A pilot workshop for potential senior entrepreneurs was designed and delivered by Chris Kirk and Geoff Pearman in November 2020 with the support of Enterprise Dunedin.

Fourteen people, all aged over 50, participated in the five hour workshop. It recognised the unique starting position of these 'senior entrepreneurs', their life stage, and the advantages and disadvantages they bring. It covered topics such as, rethinking life and work after 50, tools for building a business model, transforming your ideas into new ventures, testing your hypotheses and developing a 'Problem-Solution Fit'. Future workshops will include a section on identifying transferable skills.

### Work for Yourself@50 plus Incubation Program<sup>xxxiii</sup>

The AARP Foundation runs a programme over 12 weeks designed to help participants develop a business plan, and then launch and grow their enterprise. Those accepted on to the programme work closely with an assigned mentor. It is targeted to people on low incomes. AARP have partnered with Bridge for Billions who have adopted an inclusive approach to entrepreneurship, focused on purpose driven innovation to solve problems that truly matter.<sup>xxxiv</sup>

### Silver Starters

Silver Starters is a personal learning program where people aged 50 plus learn the basics of entrepreneurship. People are coached and supported to turn their idea into their own business via online learning and personal coaching by experts. Aside from helping people discover if entrepreneurship is for them, the aim is to provide them with the necessary skills to set up their own business.

Silver Starters, run by the Leydon Academy on Vitality and Aging and supported by Aegon Insurance, is currently offered in annual cycles in the Netherlands, Poland, Portugal and Italy. The length of the program varies in each country, but averages 8 modules within three strands.

1. The Entrepreneur: The mindset and skills needed to become an entrepreneur.
2. The Idea: researching and testing whether your idea is feasible.
3. The Company: taking the next step in entrepreneurship.<sup>xxxv</sup>



### 5.4.5 Business mentoring

Business mentoring services are offered by a range of consultants and business people on a fee for service basis, through the RBP (Regional Business Partner) programme or through Business Mentors New Zealand (BMNZ). BMNZ has a network of volunteer mentors who provide mentoring for a one-off joining fee.

We found that the importance of having a mentor, able to support a person in the start-up phase was not questioned. However, there were a number of comments on the variable quality of services provided by mentors. Some interviewees thought that the service was not suitable for their fledgling venture so didn't access it. Others spoke of the mentors not understanding their business or life stage, while others found the process adopted by the mentor onerous. The interviewees made it clear that a mentor needed to have an understanding of their life stage, their motivations and rationale, and the type of venture they were embarking on rather than simply passing on their business experience.

“

*Mentor matching needs to be improved; we need people who understand life stages as well as business.* Workshop participant

“

*Business mentors are important in building up confidence and self-development for new business owners.* Workshop participant

### Figure 5.1 Ten Propositions for Mentoring Senior Entrepreneurs.

Source: Walmsley A, G Nabi (2020)

#### Effective mentoring can support the senior entrepreneur

- 1 To understand themselves, their goals, career ambitions, strengths and weaknesses in relation to entrepreneurship.
- 2 To understand the process of business start-up.
- 3 To gain market/product knowledge.
- 4 To gain financial knowledge (costs of materials/premises and pricing, funding opportunities and so forth).
- 5 To stay inspired during the entrepreneurial process believing 'it can be done'.
- 6 To share the emotional experience of the entrepreneurial process.
- 7 To tackle financial concerns, especially fears relating to financial loss.
- 8 To tackle fears about the viability of the business idea.
- 9 To be more resilient when setbacks occur.
- 10 To ensure their ideas include a dose of realism.

## CASE STUDY

### Entrepreneurship Facilitation Service

The Australian Government through the Department for Education, Skills and Employment offers an entrepreneurship facilitation service. It is targeted to high risk regions and is accessible to anyone wanting to start their own business. The Entrepreneurship Facilitators promote and encourage self-employment by providing information and advice about starting and running a business, provide tailored mentoring and advice through one-on-one meetings, workshops and networking events and can refer people to other services that will help them start and run their own business.

The service is available to anyone wanting to start their own business. It has a focus on mature age people, including those at risk of unemployment in 20 locations and young people in four regions.<sup>xxxvi</sup>

### 5.4.6 Business planning

For those who did engage in business planning beyond ad-hoc actions, two broad approaches have been taken. Many starting out in business had been led to believe they needed a fully blown business plan including mission statements, value propositions, cash flow projections, marketing strategies etc. This approach is most often recommended or required by accountants, bankers and government agencies. The prospective entrepreneurs in this study usually either ignored this advice or based their attempt on speculation. The second approach, more common in the start-up world, yet not used by our interviewees, is the use of a business model framework, such as the Business Model Canvas (Osterwalder 2010) or the Lean Canvas (Reis 2011). The canvas approach is based on the 'lean start-up' methodology for developing businesses and products. It aims to shorten development life cycles and rapidly discover if a proposed business idea is viable. It is an approach that is iterative and emphasises customer feedback over intuition.

Few interviewees were aware of lean canvas business planning, most likely because their primary source of advice was an accountant or government websites that promote a more formalised approach. Templates such as those developed by Lean Canvas<sup>xxxvii</sup> and Strategizer<sup>xxxviii</sup>, and adapted by others, generally focus on ensuring that the innovation or idea is well defined and tested without wasting time on business structures, mission statements, cash flow projections and marketing strategies until there is a validated problem-solution fit.

While we wholeheartedly support this approach, we propose that the Business Model Canvas exploration template should also include a section on 'why', that is the 'venturers' motivation/rationale for starting a business. Many in the world of innovation and leadership stress the importance of "knowing your why" (Sinek S. 2009) yet this does not feature in the Business Model canvas template. As shown by this research, it cannot be assumed that a person with an idea or exploring starting business later in life is necessarily wanting to grow a scalable venture.

### 5.4.7 Financial capital

The majority of people interviewed were reliant on their own resources to start and sustain their venture. Most did not know where or how to access venture capital, let alone small grants or micro loans that could have given them a start. Few were aware of the Regional Business Partners (RBP) programme run by New Zealand Trade and Enterprise (NZTE) and the co-funded capability development funding. The reliance on self-funding and perceptions of risk often constrained the development of their venture. Given that most ventures started by people later in life are not capital intensive, consideration needs to be given to making micro financing options available.

## 5.4.8 Recommendations

### Recommendation 12

Government fund and promote educational programmes focussed on the challenges and opportunities of different life stages. These could be offered through community education providers and funded through ACE (Adult Community Education).

### Recommendation 13

Government fund **Start Your Own Business** workshops to assist people later in life to explore this option.

### Recommendation 14

Subject to the evaluation of the Senior Entrepreneurs pilots funded by The Office for Seniors, funding for such programmes be mainstreamed.

### Recommendation 15

Business mentors and local coordinators receive awareness training and resources that enable them to provide better support to people starting a business for the first time later in life.

### Recommendation 16

Resources are developed by mentoring and business support agencies that are life stage specific.

### Recommendation 17

Mentoring, training, start-up programmes and business planning templates focus not just on the 'venture' and its viability but also on the 'venturer', their life stage, motivations and unique starting point.

### Recommendation 18

Knowledge of and access to Regional Business Partner (RBP) programmes is improved.

### Recommendation 19

Provide accessible and flexible funding support for start-ups that have potential but may not fit the current criteria for funding and advice.

### Recommendation 20

Micro-financing schemes are available to support people starting new businesses.



## 5.5 STRENGTHEN LOCAL INNOVATION ECO-SYSTEMS COLLABORATE FOR INCLUSION

The ‘innovation ecosystem’ metaphor has been popularised over the last 15 years (Granstranda O, M Holgersson. 2020). It describes a complex network of national and local innovation and business support systems with assorted actors, institutions, relationships, resources, regulations and policies. All can play a role in scaling up a great idea or supporting new and established businesses to grow. Fundamental to an ecosystem’s effectiveness are the actors, the degree of collaboration and connectedness between them, the permeability of the system, that is people’s ability to move in and out of it, the activities engaged in, and the resources available to facilitate and nurture innovation.

The focus in New Zealand has primarily been on high growth and high value startups and the commercialisation of intellectual property as a source of economic growth. Resources have been distributed through agencies such as Callaghan Innovation, NZTE, local government, economic development agencies, tertiary education, CRIs, incubators, investors and support agencies such as Business Mentors NZ and business associations.

In organising the regional workshops, we observed considerable variability across the seven locations in terms of the connectivity between various institutional actors. We observed variations in the degree to which the business support agency we partnered with was connected into the wider local innovation system, the maturity of those relationships and the local agents’ knowledge of and relationships with the key actors.

Our research also suggests that the innovation eco-system system needs to be more inclusive of often overlooked populations, in our case people over the age of 50, and extend deeper into professional associations, the business community and the community at large. There is a risk that local innovation eco-systems and business support agencies can become ‘echo chambers’ in which people only interact with actors whose beliefs or opinions coincide with their own, buying into the excitement and hype often present in the world of innovation and entrepreneurship.

### 5.5.1 Identify who is missing out

The international literature shows that a more inclusive approach to entrepreneurship is required if we are to enable all who have a desire to go into business to have the opportunity to start the process.

Most evaluative and accountability metrics required by funders of service providers tend to focus on those already accessing their services, the impact of the funding/services and recipients’ satisfaction or otherwise with the advice and services provided. Our research has shown where improvements are required in terms of awareness and accessibility, relevance and targeting in respect to seniors.

For a number of the interviewees the services that were available did not ‘look like them’ and there was not an immediate fit. Yet, with the right support, advice and resourcing, a number could have accelerated the development of their venture.

As shown in international studies (Halvorsen C. 2019) there are also many who contemplate the option of starting a business but don’t for a variety of reasons. To grow the economy in an inclusive manner will require key players in the innovation eco-system to have policies and programmes that not only increase awareness of this option but also address institutional and behavioural factors that exclude people from under-represented and disadvantaged populations (OECD 2019).

Aotearoa New Zealand has witnessed rapid and exciting growth in Māori entrepreneurship as a result of Treaty settlements, deliberate and targeted investment<sup>xxxix</sup>, education and the emergence of Kaupapa Māori incubators<sup>xl</sup>. Likewise, over the last 25 years women have become more visible (OECD 2016) as entrepreneurs although they are still underrepresented amongst high-growth start-ups (Stuff 2021). We are yet to see people with disabilities, immigrants and older people represented in a similar way.



## Figure 5.2 Ten Actions for Creating an Inclusive Innovation Eco-system

Source: EBN 2017.

- 1 Business support organisations are well situated to promote inclusive entrepreneurship.
- 2 Instead of waiting for excluded groups to knock on the door, a more proactive approach needs to be taken by business support organisations.
- 3 Organisations often struggle to attract under-represented entrepreneurs or face retention challenges. It needs to be recognised that target groups may experience personal difficulties and are unable to juggle them alongside the hurdles of the entrepreneurial journey.
- 4 Greater collaboration and best-practice sharing is needed between business support agencies.
- 5 Organisations need to be equipped with tools and services to welcome and support under-represented entrepreneur groups who typically face higher barriers at the moment of starting a business.
- 6 There is a need for greater diversity in accessing capital.
- 7 Incubator facilities need to promote a culture of diversity and inclusion to attract under-represented entrepreneurs.
- 8 Business support organisations need to create a more diverse and inclusive environment. Board members should endorse and promote a diversity culture and expect it to flow down to managers, coaches, staff and eventually entrepreneurs.
- 9 When creating programmes to support under-represented entrepreneurs, business support organisations should make sure they are not inadvertently reinforcing stereotypes.
- 10 Robust social impact research is required based on hard data.

### 5.5.2 Address the continuing professional development needs of key professions

Professional bodies generally exist to advance a particular profession, support the interests of people working in that profession and to serve the public good. Some may have regulatory functions and a disciplinary role. To maintain standards and to protect the public most have a Continuing Professional Development (CPD) mandate.

Many of the actors in the innovation eco-system may not be members of professional associations and will access ongoing professional development from a multitude of sources. Three professions were relevant to this study, accountants (CAANZ), career practitioners (CDANZ) and financial planners

(Financial Advice New Zealand). Professional associations may wish to ensure that members are up to date with current thinking in respect to the economic options for older people in the context of extended working lives.

### 5.5.3 Business support agencies

Much of central government funding is distributed to business support agencies through Economic Development Agencies (EDA's) and Callaghan Innovation. They can act as both brokers and gatekeepers. Our research suggests that funding also needs to be directed to eco-system capability development, recognising new and emerging trends and building relationships, systems and resources.

## CASE STUDY

### Senior Entrepreneurs New Zealand Dunedin

Senior Entrepreneurs started in Dunedin in 2016. It is a network that provides information and support to people over 50 who have established their own businesses or who want to. The network meets monthly. It also runs a casual drop-in once a month. People move in and out of the group depending on their needs. Research from the University of Otago has found the network to be very well connected within the local start-up eco-system. In an annual survey of members the four main reasons for belonging are; networking with 'fellow travellers'; getting inspiration and new ideas; advocacy for senior entrepreneurship and discussions on hot topics.

### 5.5.4 Support networks

The international literature and our research have highlighted the need for local informal and semi-formal support groups for people starting a business later in life. They may be the first point of contact, an entrée to the wider business support network and innovation eco-system, provide legitimacy and validation and support people during the transition for employee to entrepreneur.

“

*People need lots of early encouragement, maybe flattened after redundancy and fruitless job searching. Encouraged to re-invest in themselves.* Workshop participant

“

*We need regular and structured networking for new business people over 50s.* Workshop Participant

### 5.5.5 Recommendations

#### Recommendation 21

Government, local government, start-up support organisations, economic development agencies and business support agencies develop a more inclusive approach to entrepreneurship that recognises people over fifty.

#### Recommendation 22

Promote a 'no wrong door' approach so that all information and advice can be obtained easily and at the first point of contact, regardless of whether this is an established agency, government department, bank, professional offices, library, community groups or on-line.

#### Recommendation 23

Professional bodies include continuing professional development (CPD) modules, guidance and articles for members on population ageing, longevity, later life entrepreneurship and contemporary approaches to business startups.

#### Recommendation 24

Economic Development Agencies actively support the development of senior entrepreneur support networks.

#### Recommendation 25

Capability building funding for eco-system innovation to be made available for Economic Development Agencies. This funding is for initiatives that: build current and emerging system capability, identify and support under-represented groups and build enduring relationships across diverse sectors.

## 5.6 SUMMARY OF RECOMMENDATIONS

### Recommendations to Government

#### Recommendation 1

Government investigate and develop effective means for collecting demographic data on individuals establishing businesses.

#### Recommendation 2

Government identify a responsible agency and establish a policy focus, within current resources, which tracks developments and provides advice to the public sector on senior entrepreneurship.

#### Recommendation 3

Government identifies and addresses policy and programme barriers that prevent or discourage people later in life from starting a business.

#### Recommendation 6

Government fund mid-career guidance programmes for people whose jobs are at risk and for those considering alternative options.

#### Recommendation 7

Government decouple the provision of funded business support from income support and review and broaden the eligibility criteria for programmes such as the Business and Training and Advice Grant and the Self Employment Start Up Payment to include non-beneficiaries.

#### Recommendation 8

MBIE build a 'Starting a Business Later in Life' web page within the business.govt.nz website as a 'one stop shop' for those considering this option.

#### Recommendation 9

Government provide resources to assist business support agencies to improve their support and engagement with people wishing to start a business later in life.

#### Recommendation 10

Government actively promote business development programmes through non-traditional channels

#### Recommendation 12

Government fund and promote educational programmes focussed on the challenges and opportunities of different life stages. These could be offered through community education providers and funded through ACE (Adult Community Education).

#### Recommendation 13

Government fund **Start Your Own Business** workshops to assist people later in life to explore this option.

#### Recommendation 14

Subject to the evaluation of the Senior Entrepreneurs pilots funded by The Office for Seniors, funding for such programmes be mainstreamed.

#### Recommendation 25

Capability building funding for eco-system innovation to be made available for Economic Development Agencies. This funding is for initiatives that: build current and emerging system capability, identify and support under-represented groups and build enduring relationships across diverse sectors.

### Recommendations to Professional Bodies

#### Recommendation 23

Professional bodies include continuing professional development (CPD) modules, guidance and articles for members on population ageing, longevity, later life entrepreneurship and contemporary approaches to business start-ups.

## Recommendations to Economic Development Agencies

### Recommendation 24

Economic development agencies actively support the development of senior entrepreneur support networks.

### Recommendation 11

Economic development agencies work with key business support agencies to offer 'Starting a Business Later in Life' seminars in venues such as libraries, marae and community centres.

## Recommendation to Business and Start-up support organisations

### Recommendation 22

Promote a 'no wrong door' approach so that all information and advice can be obtained easily and at the first point of contact, regardless of whether this is an established agency, government department, bank, professional offices, library, community groups or on-line.

### Recommendation 15

Business mentors and local coordinators receive awareness training and resources that enable them to provide better support to people starting a business for the first time later in life.

### Recommendation 16

Resources are developed for mentoring and business support agencies that are life stage specific.

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Mentoring, training, start-up programmes and business planning templates focus not just on the 'venture' and its viability but also on the 'venturer', their life stage, motivations and unique starting point.

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Knowledge of and access to Regional Business Partner (RBP) programmes is improved.

### Recommendation 19

Provide accessible and flexible funding support for start-ups that have potential but may not fit the current criteria for funding or advice.

### Recommendation 20

Micro-financing schemes are available to support people starting new businesses.

## Recommendations to All Stakeholders

### Recommendation 4

Government work with key stakeholders to run a concerted public education programme on ageing and work.

### Recommendation 5

Key stakeholders profile, through business and popular media, stories of ordinary older New Zealanders engaged in entrepreneurial activity.

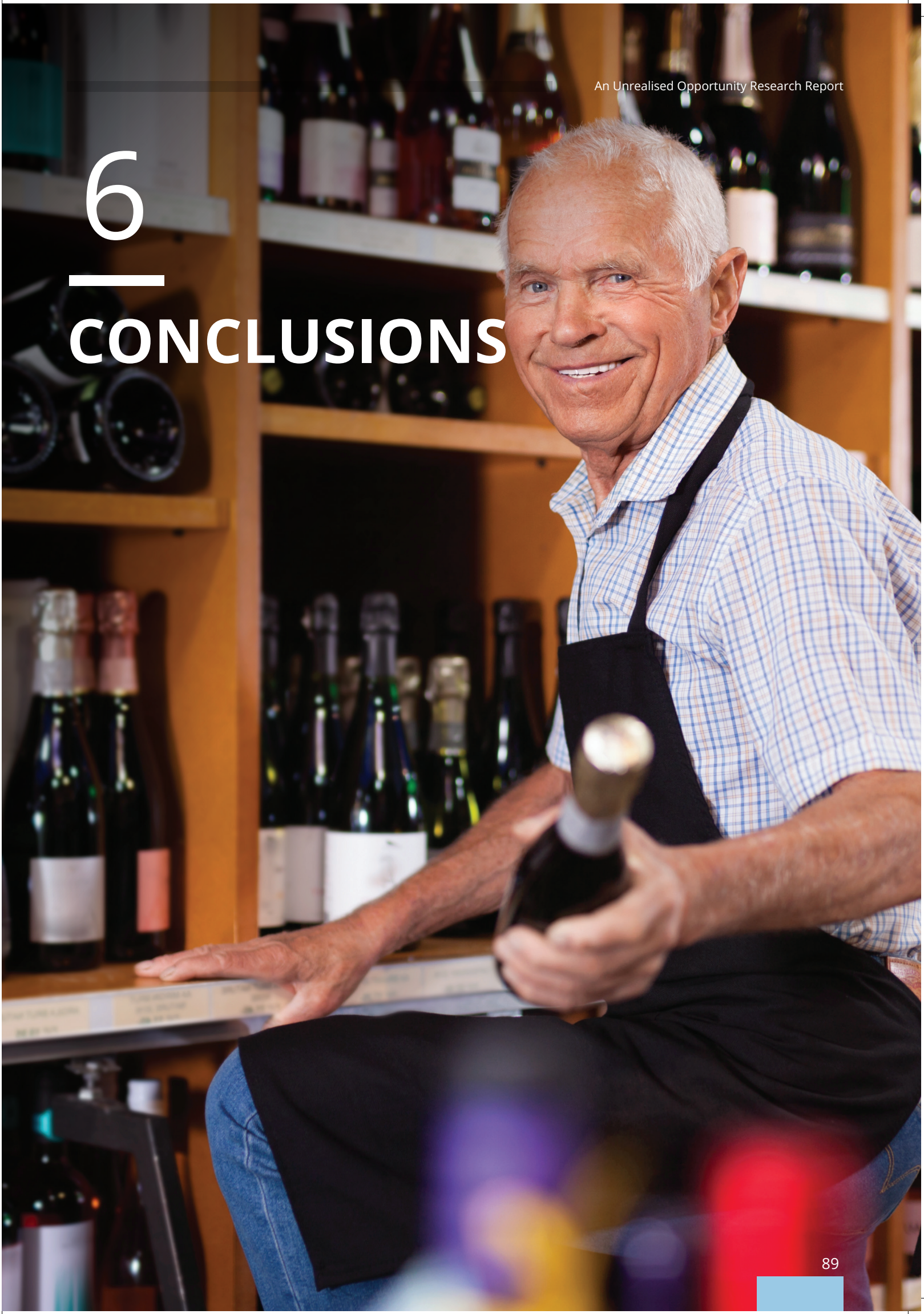
### Recommendation 21

Government, local government, start-up support organisations, economic development agencies and business support agencies develop a more inclusive approach to entrepreneurship that recognises people over fifty.



# 6

## CONCLUSIONS





While we still do not know how many people are starting businesses for the first time later in life, a snapshot of official data from the first eighteen months of the COVID pandemic showed a significant growth in the number of people reporting as self-employed. Of particular significance was the disproportionate growth in those aged fifty and over - a growth rate that could not be explained by the ageing of existing business owners. This confirms anecdotal and qualitative evidence, from this country and overseas, that increasing numbers of people are starting businesses for the first time later in life, thus challenging traditional norms for life stages and career trajectories.

Research in the field of senior entrepreneurship has sought to answer the 'why' question. Why do some people decide to start a business in their fifties and sixties when, in the past, the next stage was retirement? That people are either pushed or pulled into entrepreneurship is the theoretical explanation most often given. We could have applied this typology to those we interviewed, however the stories we heard were much more complex. Rather than propose a typology with fixed categories and definitions, we have identified five entrepreneurial orientations, each characterised by three factors; innovativeness, proactivity and risk taking. All of our interviewees evidenced these three factors to some extent as they looked to the future. In the absence of these factors, most likely they would not have been starting a business for the first time later in life. What was different between each of the orientations was the interviewees' motivation, rationale or 'why'.

The five orientations we propose often overlap and are not exclusive. There were those who started a business because they wanted to make a difference for society, for a particular group of people, for the planet etc. This group we termed the 'Difference Makers'. Others had a career/life stage inflexion point at which they changed direction, a group we called the 'Direction Changers'. The 'Opportunity Takers' were sensitive to new opportunities that presented themselves or in some cases created their own opportunities. There was a group who would have never considered starting a business had it not been for necessity, often precipitated by unemployment. We termed them the 'Needs Must' group. The fifth group were people who approached taking on a business as an investment, most often in an area of existing expertise - the 'Investors'.

Providers of advice and support to aspiring entrepreneurs need to be fully aware of what it is that is driving a person to venture in a new and challenging direction at this stage in their

life. They need to be cognisant of the person's entrepreneurial orientation, their goals and time frames. The support they may need to achieve their goals is vital, given the possibly limited time horizon that lies ahead.

The dominant narrative surrounding entrepreneurship suggests that most new ventures are started by younger people, are often technology-based and aimed at creating high growth and scalable businesses. Global examples demonstrate that these characteristics can be present in the businesses established by senior entrepreneurs. However, we found that the vast majority were people who were nurturing an idea or a passion and simply seeking to create a viable business congruent with their personal aims and values. Some had stepped out of, or were made redundant from secure employment and became self-employed in new and diverse fields. These were as diverse as quantity surveying, music production, art practice or consulting. Others started a new business in an established field but maybe with a slightly different angle; an art dealership, clothing production, eco-tourism, celebrant. Others had an idea or a new process they were seeking to commercialise; green energy solutions, radio technology, alcohol production using waste food products. The fields and types of business being established were diverse.

A consistent theme from those we interviewed and from the workshops was that services and advice were generally available within the innovation ecosystem or online. However, the people we talked with were generally not accessing the range of services that could have benefited their venture and in many cases did not know they existed. If they did know about the services, they did not see them as relevant or a fit with their venture or life stage.

Those starting a business after the age of fifty come to the venture with vast experience. They

have a unique starting point, thirty to forty years of experience, transferable skills and knowledge and networks. What they often lacked was confidence. Maybe they had experienced life events that had shaken their self-assurance yet had, for a variety of reasons, decided to venture into business and were taking a 'do it yourself' approach. What they needed most was access to relevant and timely advice, support and mentoring, and targeted training that recognised their specific gaps, their life stage and their motives for starting a business.

Starting a business later in life is an activity that increasing numbers will aspire to, and need to pursue given demographic trends, economic realities and the challenges older workers face in

employment. The suite of recommendations in this report calls for a narrative in respect of ageing, life stages and entrepreneurship that reflects the changes that are taking place; and to empower those who may want to explore the option to start a business later in life. To achieve this will require a concerted effort by government and the key players in the innovation eco-system to become more inclusive and to develop policy and programmes that address the needs of aspiring senior entrepreneurs.



“

**This is a highly creative, powerful, and extraordinary demographic – courageous, enlightened and willing to fight for what they believe in. We need to unleash their potential.**

**Elizabeth Isele. Founder and CEO, Global Institute for Experienced Entrepreneurship.**



# GLOSSARY

## New Zealand Agencies and Organisations

Business Mentors New Zealand (BMNZ)	Business Mentors New Zealand is an independent not-for-profit organisation dedicated to the delivery of a business mentoring service. A national service works with 17 local agencies to match local mentors with local business people requesting mentoring. Mentors volunteer their services. <a href="http://www.businessmentors.org.nz/">www.businessmentors.org.nz/</a>
Business.govt.nz	A website run by the NZ Government. It provides tools and expert advice from government and industry, designed to help Kiwi businesses save time and succeed. <a href="http://www.business.govt.nz">www.business.govt.nz</a>
Callaghan Innovation	Callaghan Innovation, is a Crown Entity that has the task of making New Zealand business more innovative. It was established in February 2013. They partner with ambitious businesses of all sizes, providing a range of innovation and research and development (R&D) services to suit each stage of growth. The Institute takes its name from Sir Paul Callaghan, a prominent New Zealand physicist, who died in 2012. <a href="http://www.callaghaninnovation.govt.nz">www.callaghaninnovation.govt.nz</a>
Inland Revenue (IR)	Inland Revenue collect most of the revenue that government needs to fund its programmes. They also administer a number of social support programmes. <a href="http://www.ird.govt.nz">www.ird.govt.nz</a>
New Zealand Qualifications Authority (NZQA)	NZQA's role in the education sector is to ensure that New Zealand qualifications are accepted as credible and robust, nationally and internationally, in order to help learners succeed in their chosen endeavours and to contribute to New Zealand society. <a href="http://www.nzqa.govt.nz">www.nzqa.govt.nz</a>
New Zealand Trade and Enterprise (NZTE)	New Zealand Trade and Enterprise is New Zealand's economic development and trade promotion agency. It offers strategic advice, access to networks and influencers, research and market intelligence, and targeted financial support to help businesses on their international journey, and works to promote and support the growth of New Zealand business overseas. <a href="http://www.nzte.govt.nz">www.nzte.govt.nz</a>
MOTU	A charitable trust established to promote well informed and reasoned debate on public policy issues relevant to New Zealand decision making. Motu is among the top 10 economic think tanks globally and a top-ranked economic organisation in New Zealand. <a href="http://www.motu.nz">www.motu.nz</a>
Ministry for Business, Innovation and Employment (MBIE)	The Ministry of Business, Innovation and Employment is the public service department of New Zealand charged with delivering policy, services, advice and regulation which contribute to New Zealand's economic productivity and business growth. <a href="http://www.mbie.govt.nz">www.mbie.govt.nz</a>

Office for Seniors (OFS)	The Office for Seniors is the primary advisor to the Government on issues affecting older people and located within the Ministry of Social Development (MSD). They are leading the implementation of the governments Better Later Lives He Oranga Kaumatua strategy 2019 to 2034. <a href="http://www.officeforseniors.govt.nz">www.officeforseniors.govt.nz</a>
Regional Business Partners (RBP)	The Regional Business Partner Network is a gateway that connects businesses to the right advice, people and resources. Funded by the New Zealand government, the RBP Network consists of 14 regional growth agencies throughout the country. They provide access to funding, training and advice. <a href="http://www.regionalbusinesspartners.co.nz">www.regionalbusinesspartners.co.nz</a>
Tertiary Education Commission (TEC)	The Tertiary Education Commission/Te Amorangi Mātauranga Matua (TEC), is the Government's careers and tertiary education investment agency. <a href="http://www.tec.govt.nz">www.tec.govt.nz</a>
<b>International Organisations</b>	
AARP	AARP (formerly called the American Association of Retired Persons) is a United States-based not for profit organisation focusing on issues affecting those over the age of fifty. As of 2018 it had more than 38 million members. <a href="https://www.aarp.org/">https://www.aarp.org/</a>
Centre on Aging and Work, Boston College	Since its inception in 2005 the Centre on Aging & Work at Boston College has played a leadership role internationally in research in age and work. <a href="http://www.bc.edu/content/bc-web/schools/ssw/sites/center-on-aging-and-work.html">www.bc.edu/content/bc-web/schools/ssw/sites/center-on-aging-and-work.html</a>
CARP	CARP is Canada's largest advocacy association for older Canadians promoting equitable access to health care, financial security, and freedom from ageism. It has a membership of more than 320,000 members. <a href="http://www.carp.ca">www.carp.ca</a>
Frameworks Institute	Founded in 1999 and based in Washington DC, the Frameworks Institute has a clear mission to bring leading-edge insights from social science to the non-profit sector, by supporting the sector's capacity to reframe social problems as policy issues and drive social change. They apply social science methods to study how people understand social issues and how best to frame them and shape effective communications. <a href="http://www.frameworksinstitute.org">www.frameworksinstitute.org</a>
Global Entrepreneurship Monitor (GEM)	GEM carries out survey-based research on entrepreneurship and entrepreneurship ecosystems around the world. It has a networked consortium of national country teams primarily associated with top academic institutions. New Zealand was a member until 2005. <a href="http://www.gemconsortium.org">www.gemconsortium.org</a>
Global Institute for Experienced Entrepreneurship	Founded by Elizabeth Isele, the Global Institute for Experienced Entrepreneurship was formed in response to the unprecedented success of our two original organizations, SeniorEntrepreneurshipWorks, eProvStudio. It aims to catalyse the dynamic power of cross-generational experience and entrepreneurship to drive innovation in government, corporations, education, and research to boost social and economic prosperity worldwide. <a href="http://www.experieneurship.com">www.experieneurship.com</a>

Kauffman Foundation	<p>The Ewing Marion Kauffman Foundation is a private, nonpartisan foundation based in Kansas City, Missouri, that works with communities in education and entrepreneurship to increase opportunities that allow all people to learn. They take a multi-pronged approach to confront the many faces of inequity and exclusion.</p> <p><a href="http://www.kauffman.org">www.kauffman.org</a></p>
OECD	<p>The Organisation for Economic Co-operation and Development is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.</p> <p><a href="http://www.oecd.org">www.oecd.org</a></p>
UK Institute for Policy Research (IPPR)	<p>The Institute for Public Policy Research (IPPR) is a registered UK charity and the UK's pre-eminent progressive think tank.</p> <p><a href="http://www.ippr.org">www.ippr.org</a></p>
World Health Organisation (WHO)	<p>The Ageing and Health Unit at the World Health Organisation works in 5 strategic priority areas identified in the Global strategy and action plan on ageing and health 2016-2020.</p> <p><a href="http://www.who.int/health-topics/ageing#tab=tab_1">www.who.int/health-topics/ageing#tab=tab_1</a></p>
<b>Other Terms</b>	
HART	<p>The Health and Ageing Research Team (HART) was established at Massey University in the School of Psychology in 2006 to undertake a programme of research related to understanding the status and determinants of health and wellbeing for older New Zealand adults.</p> <p><a href="http://www.massey.ac.nz/massey/learning/departments/school-of-psychology/research/hart/hart_home.cfm">www.massey.ac.nz/massey/learning/departments/school-of-psychology/research/hart/hart_home.cfm</a></p>
HWR	<p>The New Zealand Health, Work and Retirement Study (NZHWR) is a study of people aged 55 years and over who live in New Zealand. The study aims to provide information on issues such as health, work, retirement and housing, which are relevant to people in this age group. This research provides New Zealand residents with the opportunity to share their experiences to help inform national and international discussions on these important issues.</p> <p>The New Zealand Health, Work and Retirement Study began in 2006 and is led by Professor Christine Stephens and Professor Fiona Alpass from the School of Psychology.</p> <p><a href="http://www.massey.ac.nz/massey/learning/departments/school-of-psychology/research/hart/new-zealand-health-work-and-retirement-study/new-zealand-health-work-and-retirement-study_home.cfm">www.massey.ac.nz/massey/learning/departments/school-of-psychology/research/hart/new-zealand-health-work-and-retirement-study/new-zealand-health-work-and-retirement-study_home.cfm</a></p>
Household Labour Force Survey (HLFS)	<p>Statistics New Zealand's Household Labour Force Survey (HLFS) provides a regular, timely, and comprehensive portrayal of New Zealand's labour force, producing each quarter a comprehensive range of statistics relating to the employed, the unemployed and those not in the labour force who comprise New Zealand's working-age population. The HLFS is a nationwide, quarterly survey and is the official measure of employment and unemployment in New Zealand. It has been providing the only comprehensive and ongoing picture of the labour force since it began in October 1985.</p>

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Innovation Eco-system	An innovation ecosystem is usually defined as the complex relationships formed between actors or entities with the objective being to enable technology development and innovation. It may operate at a local, regional or national level.
Lean Canvas	<p>The Lean Canvas is a business modelling tool created to help deconstruct a start-up idea into its key and most risky assumptions. The Lean Canvas can be used as a tactical plan to guide entrepreneurs navigate their way from ideation to building a successful start-up. It is an adaption by Ask Maurya of the original Business Model Canvas (BMC) developed by Alexander Osterwalder.</p> <p>Both address essentially the same 9 elements and put all the information needed to visualize and analyse together on a single page, eliminating unrelated and irrelevant details.</p> <p>The focus being to avoid waste of time, energy, processes, money. It is a method that works to ensure a good problem – solution fit through constant testing and refinement.</p> <p><a href="https://hbr.org/2013/05/why-the-lean-start-up-changes-everything">https://hbr.org/2013/05/why-the-lean-start-up-changes-everything</a></p>
NVivo	NVivo is a qualitative data analysis computer software package produced by QSR International. NVivo helps qualitative researchers to organise, analyse and find insights in unstructured or qualitative data like interviews, open-ended survey responses, journal articles, social media and web content, where deep levels of analysis on small or large volumes of data are required.
Micro-credentials	<p>The NZQA defines a micro-credential a coherent set of skills and knowledge. They are smaller than a qualification and focus on skill development opportunities not currently catered for in the regulated tertiary education system.</p> <p><a href="http://www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/micro-credentials/#heading2-0">www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/micro-credentials/#heading2-0</a></p>

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# ENDNOTES

<sup>i</sup> Statistics NZ

<sup>ii</sup> OECD (2021), Elderly population (indicator). doi: 10.1787/8d805ea1-en (Accessed on 22 October 2021).

<sup>iii</sup> Ministry of Health. <https://www.health.govt.nz/our-work/populations/Māori-health/tatau-kahukura-Māori-health-statistics/nga-mana-hauora-tutohu-health-status-indicators/life-expectancy>

<sup>iv</sup> Stats NZ. <https://www.stats.govt.nz/news/growth-in-life-expectancy-slows>

<sup>v</sup> OECD. <https://data.oecd.org/emp/employment-rate-by-age-group.htm#indicator-chart>

<sup>vi</sup> OECD. <https://data.oecd.org/emp/self-employment-rate.htm#indicator-chart> Self employment rate is defined as “Self-employment is defined as the employment of employers, workers who work for themselves, members of producers’ co-operatives, and unpaid family workers. This indicator is measured as a percentage of the employed population considered (total, men or women).

<sup>vii</sup> Statistics New Zealand’s Household Labour Force Survey (HLFS) provides a regular, timely, and comprehensive portrayal of New Zealand’s labour force, producing each quarter a comprehensive range of statistics relating to the employed, the unemployed and those not in the labour force who comprise New Zealand’s working-age population. The HLFS is a nationwide, quarterly survey and is the official measure of employment and unemployment in New Zealand. It has been providing the only comprehensive and ongoing picture of the labour force since it began in October 1985. <https://datainfoplus.stats.govt.nz/Item/nz.govt.stats/b7c39358-aa03-446f-a27d-91c37caac35d>

<sup>viii</sup> Kaufmann Foundation. <https://www.kauffman.org/>

<sup>ix</sup> Global Entrepreneur Monitor. <https://www.gemconsortium.org/>

<sup>x</sup> The analysis used the Statistics New Zealand’s Integrated Data Infrastructure (IDI) and exploited the linking of full-coverage firm and worker level administrative datasets with data from the 2013 Population Census. Individual level characteristics (age, sex, and ethnicity), and monthly jobs, benefit receipt, and border movement data come from the

October 2016 in-stance of the IDI and are discussed below by topic. These data are linked through to firms on the Longitudinal Business Database (LBD) using linked employer-employee data (LEED) and the permanent enterprise number. See Motu 2018:5 for a full discussion.

<sup>xi</sup> OECD. (2016). Figure 7 Self-employment rates by age group and gender. <https://doi.org/10.1787/888933404563>

<sup>xii</sup> Australia, Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France Hungary, Japan, Korea, Latvia, Lithuania, Mexico, Norway, Portugal, Romania, Turkey.

<sup>xiii</sup> Senior Enterprise Ireland. <http://www.seniorenterprise.ie/>

<sup>xiv</sup> The definition of a senior entrepreneur for this research is 50 Plus. The HART survey collects data on people aged 55plus.

<sup>xv</sup> An oversampling of persons indicated as being of Māori descent in the New Zealand electoral roll (current until 10th May, 2018) was undertaken to provide adequate observations for the purposes of analysis.

<sup>xvi</sup> <https://www.investopedia.com/terms/s/startup.asp>

<sup>xvii</sup> Inland Revenue. <https://www.ird.govt.nz/roles/self-employed>

<sup>xviii</sup> Investopedia. <https://www.investopedia.com/terms/s/sharing-economy.asp>

<sup>xix</sup> Kibler E, Wainwright T, Kautonen T, Blackburn R. Can Social Exclusion Against ‘Older Entrepreneurs’ Be Managed? Journal of Small Business Management.

<sup>xx</sup> IPPR North. 2017:45

<sup>xxi</sup> Conely C, I Rauth. 2020:14

<sup>xxii</sup> Singapore Mid Career Pathways. <https://www.myskillsfuture.gov.sg/content/portal/en/career-resources/career-resources/education-career-personal-development/sgunited-mid-career-pathways-programme.html>

<sup>xxiii</sup> <https://skillscheck.com.au/>

<sup>xxiv</sup> <https://www.workandincome.govt.nz/products/>



[a-z-benefits/self-employment-start-up-payment.html#null](#)

<sup>xxv</sup> <https://www.dese.gov.au/EBMOB-workshops>

<sup>xxviii</sup> IPPR North. 2017:72

<sup>xxix</sup> Conely C, I Rauth. (2020)

<sup>xxx</sup> NZQA. <https://www.nzqa.govt.nz/about-us/publications/strategic-documents/he-tauaki-whakamaunga-atu-statement-of-intent-201920-202223/he-kupu-takamua-na-te-tiamana-o-te-poari-matua-me-te-pouwhakahaere/enabling-lifelong-learning-3/>

<sup>xxxii</sup> <https://www.startupdunedin.nz/where-to-access-support>

<sup>xxxiii</sup> <https://www.dese.gov.au/EBMOB-workshops>

<sup>xxxiii</sup> Work for Yourself @50. <https://programs.bridgeforbillions.org/work-for-yourself50-entrepreneurs/>

<sup>xxxiv</sup> Bridge for Billions. <https://www.bridgeforbillions.org/>

<sup>xxxv</sup> [https://silverstarters-org.translate.goog/home-dutch/?\\_x\\_tr\\_sl=nl&\\_x\\_tr\\_tl=en&\\_x\\_tr\\_hl=en&\\_x\\_tr\\_pto=sc](https://silverstarters-org.translate.goog/home-dutch/?_x_tr_sl=nl&_x_tr_tl=en&_x_tr_hl=en&_x_tr_pto=sc)  
<https://www.aegon.com/research/silver-starters/>

<sup>xxxvi</sup> <https://www.dese.gov.au/entrepreneurship-facilitators>

<sup>xxxvii</sup> [https://medium.com/@steve\\_mullen/an-introduction-to-lean-canvas-5c17c469d3e0](https://medium.com/@steve_mullen/an-introduction-to-lean-canvas-5c17c469d3e0)

<sup>xxxviii</sup> <https://www.strategyzer.com/>

<sup>xxxix</sup> <https://www.tpk.govt.nz/en/whakamahia/Māori-enterprise>

<sup>xl</sup> <https://kokiri.nz/>