

# **5 Seniors' self-employment and entrepreneurship activities**

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Overall, self-employment rates increase with age. About 18% of working people aged 50 to 64 years old are self-employed, about 4 percentage points above the overall average. This share increases to 39% for those 65-69 years old and 52% for those 70-74 years old. Moreover, about one-third of these businesses employ others. This chapter presents data and trends on self-employment and entrepreneurship activities by seniors for European Union Member States and OECD countries. It also discusses barriers to entrepreneurship and policy approaches used to support seniors in business creation and self-employment.

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## Key messages

- **The data presented in this chapter are based on Eurostat Labour Force Survey data covering the self-employed and Global Entrepreneurship Monitor data on pre start-up and early-stage business activities.** These data are complemented with country-specific statistics to provide additional insights on senior entrepreneurship.
- **Seniors are active in self-employment and the proportion of working seniors who are self-employed increases with age.** In 2020, seniors (50-64 years old) were more likely to be self-employed than the overall adult population (15-64 years old) in the EU (18% vs. 14% for adults). The share of working seniors who are self-employed increases to 39% for 65-69 years old and 52% for 70-74 years old (in 2020).
- **Self-employed seniors are slightly more likely to have employees than the overall average.** In the European Union (EU), one-third of self-employed seniors had at least one employee in 2020, relative to 29% of all self-employed people. In some countries such as Germany, about half of self-employed seniors had employees. It will be important for policy makers to look for ways to sustain these businesses and jobs as these seniors look to retire.
- **Despite high levels of self-employment activities, seniors are less active in creating new businesses.** In the EU, only 2% of seniors (50-64 years old) were engaged in starting a business over the 2016-20 period relative to 4% of the overall population (18-64 years old). The OECD average for seniors for the same period was 5%.
- **However, seniors were more likely to report starting their business out of “necessity”.** About one-quarter of new senior entrepreneurs in the EU started their business between 2016 and 2020 because they could not secure employment, relative to about 18% of the total population (18-64 years old). While some seniors start businesses due to insufficient savings, research also shows that many seek to remain active and to maintain social connections.
- **Barriers to entrepreneurship for seniors often include health issues, the opportunity cost of time and the shorter timeline to grow a sustainable business are greater barriers for seniors than younger entrepreneurs.** Neither a “fear of failure” nor a perceived lack of entrepreneurship skills appears to be disproportionate barriers to business creation for seniors.
- **Once operating, businesses operated by new senior entrepreneurs follow many of the same business strategies as younger entrepreneurs.** For example, they were as likely to report introducing new products and services, as well as exporting, between 2016 and 2020.
- **Entrepreneurship can play a role in active ageing policy.** There is a growing population of healthy older people with the skills, financial resources and time available to contribute to economic activity through extending their working lives, including through entrepreneurship. Research shows that entrepreneurship can increase the health and well-being of seniors relative to inactivity. Policy makers can do more to leverage this pool of potential entrepreneurs by increasing awareness about business creation and self-employment, providing training to fill knowledge and skills gaps, and ensuring that tax and social security systems do not contain disincentives to entrepreneurship for older people, including investment in other businesses.
- **Overall, senior entrepreneurship policies and programmes are under-developed in the EU.** Relative to other inclusive entrepreneurship target groups, there are few tailored entrepreneurship programmes for seniors. Most schemes in the EU are small-scale and are operated by local governments or non-government organisations.

## Policy context

### ***Extending careers through entrepreneurship***

**The populations of European Union (EU) Member States and OECD countries are aging.** The proportion of the EU population over the age of 65 years old will increase from 21% in 2020 to nearly 30% in 2050 (Eurostat, 2019<sup>[1]</sup>). Consequently, the dependency ratio (i.e. the ratio of people over 65 years old – when people are generally economically inactive – to the projected number of people between 15 and 64 years old) is expected reach 52% in 2050, up from 32% in 2020 (Eurostat, 2021<sup>[2]</sup>). This aging of the population is due to a long-term decline in fertility rates, which means that each generation is relatively smaller than the previous.

**Population aging has several significant impacts on labour markets and economies.** Social security systems, including public pension and healthcare systems, will face increasing pressures because the larger population of older people will draw more heavily on them, and contribute less, as they retire. Moreover, the pattern of ageing is not constant across countries and regions, and the exit of the “baby boom generation” from the labour force may result in labour mismatches in certain regions and sectors where the skills and experience needed to replace those retiring are not available in younger generations. There may also be an issue related to business succession as younger people may not take over all businesses run by older people, which could have significant consequences, not only for employees of those firms, but also for the owners who may rely on the sale of their business for retirement income.

**Entrepreneurship policy will also be affected by demographic shifts because the policy target groups are changing and a new target group is emerging.** The promotion of entrepreneurship among those nearing the end of their careers is a potential policy option to prolong the working lives of older people, reduce older-age unemployment and enhance the social inclusion of older individuals. Older people are now living longer than previous generations and have different decisions to make about their career and lifestyle. Research shows that many older people may wish to remain economically active in order to maintain a lifestyle or choose self-employment as a flexible alternative to organisational employment. For example, surveys in Germany show that the majority of people would like to remain economically active after retirement and one in five people between the age of 50 and 75 would be interested in starting a business after retirement (Körber Stiftung, 2018<sup>[3]</sup>) (see also Box 5.1).

**Despite an interest in remaining economically active through entrepreneurship, this chapter shows that few older people are working on creating businesses.** Between 2016 and 2021, only about 7% of seniors were involved in early-stage entrepreneurship in the EU, i.e. involved in creating a new business or managing one that is less than 42 months old. If seniors were as active as core age men (30-49 years old) there would be an additional 4.8 million senior entrepreneurs in the EU, accounting for about half of the “missing” entrepreneurs in the EU.

**Self-employment can positively improve senior’s mental and physical well-being.** Several recent studies from around the EU found positive non-monetary benefits of self-employment among seniors. In a longitudinal study of Italian self-employed workers, self-employed people were shown to live significantly longer than the rest of the population and that self-employment may have positive mental and physical health benefits (Lallo and Raitano, 2018<sup>[4]</sup>). A UK study also finds self-employment to be a viable option and positive experience which increases general life satisfaction and personal growth among individuals who have been redundant by the age of 50 years old (Stirzaker and Galloway, 2017<sup>[5]</sup>).

### Box 5.1. “Unretirement” and retirement transitions among seniors in the EU

Unretirement has become increasingly more common among seniors across the EU. While transitions to and from retirement have greatly changed in recent years due in part to the modifications to pension systems, the prolongation of retirement ages, and the increase life and health expectancies in many countries, a recent report investigates unretirement and the likelihood of seniors to return to the labour force through self-employment. Unretirement does not appear to be primarily driven by financial needs since those returning to the labour force are often those who are wealthy, healthy and well-educated. Retirees chose to return at varying rates across EU and OECD countries. For example, 14% of retirees in Sweden will unretire compared to 17% in Germany, 25% in the UK and 26% in the US (Lassen and Vrangbæk, 2021<sup>[6]</sup>). A recent study in the UK found the likelihood of unretirement changes by gender, education level and time spent in retirement. British men are 25% more likely to unretire than women while those with post-secondary qualifications are 50% more likely to unretire than those with no qualifications (Platts et al., 2019<sup>[7]</sup>). Moreover, the same study finds unretirement occurs the most frequently among individuals who recently left the labour force.

Self-employment offers a bridge back into work for retired pensioners. Another recent study used register data from Sweden for retired seniors (56 years old and over) in the period 1994-2007 to investigate how retirees chose to re-enter the labour market. Overall, 13.9% of Swedish pensioners unretired at least once during the period. More than a quarter of whom unretired as self-employed workers (Table 5.1). Having previous self-employment experience greatly increased the likelihood that a retiree would return to self-employment – approximately 90%. However, about 9% of former employees unretired as self-employed workers, resulting in an uptick in self-employment from 21% of workers in the sample prior to retirement to about 26% in unretirement (Pettersson, 2014<sup>[8]</sup>).

**Table 5.1. More than one-quarter of unretiring people in Sweden become self-employed**

Type of work before retirement	Unretired as an employee	Unretired as self-employed
Employees (%)	7 777 (91%)	761 (9%)
Self-employed (%)	230 (10%)	2 034 (90%)
Total (%)	8 007 (74%)	2 795 (26%)

Source: Adapted from (Pettersson, 2014<sup>[8]</sup>)

**Seniors become self-employed for various reasons.** Evidence shows that more self-employed people continue to work after reaching retirement age (over 65 years old) relative to those working as employees. However, the reason for this remains unclear. Some studies suggest that it could be due to less access to pension schemes or personal preferences such as having a different concept of work or personally identifying with their company (Wahrendorf et al., 2017<sup>[9]</sup>). For example, a German study on self-employed people, who are not retirement age, finds that self-employed workers often do not save sufficiently for their pensions (Fachinger and Frankus, n.d.<sup>[10]</sup>). Other studies suggest that seniors continue to work because they can (physically and mentally) and because no one is telling them not to continue (Lassen and Moreira, 2014<sup>[11]</sup>). Research in France shows that necessity entrepreneurship among seniors can be driven by a lack of retirement savings and new financial pressures that arise from children attending post-secondary education or second families that have been started by people who have remarried (Malek, Adnane and Imen, 2011<sup>[12]</sup>).

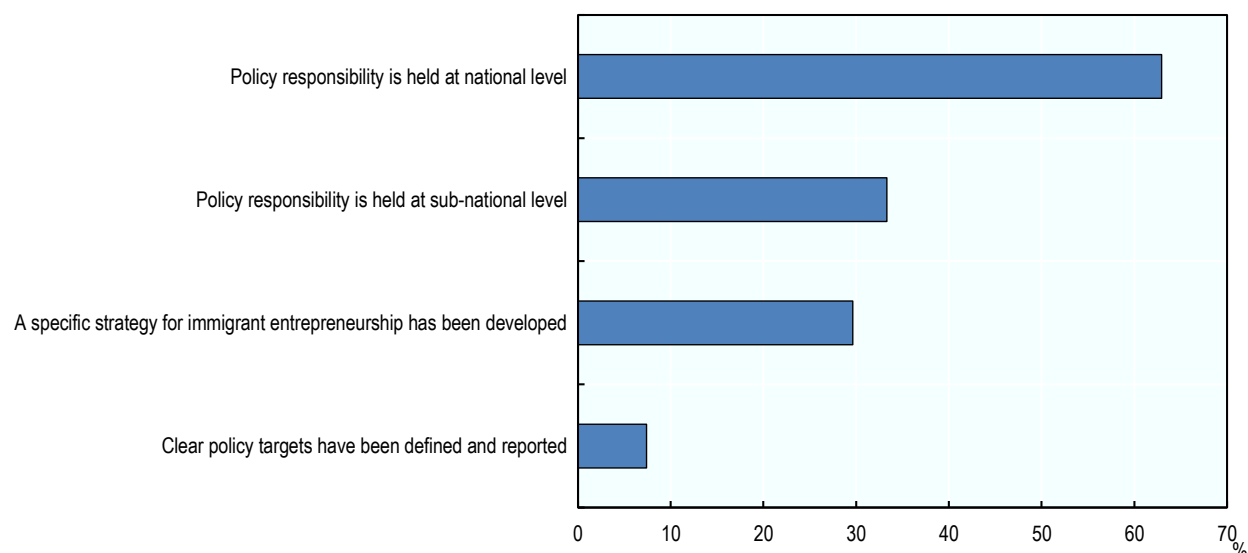
**Policy actions in the EU to encourage and support senior entrepreneurship are typically led by national governments.** An OECD assessment of inclusive entrepreneurship policies across EU Member

States examined approaches to promoting and supporting inclusive entrepreneurship, including senior entrepreneurship (see Reader's Guide). Policy responsibility is clearly defined at the national level in nearly two-thirds of EU Member States (Figure 5.1), which is a slightly lower level than for other target groups such as women, immigrants and youth. Given the clear demographic challenges that are coming over the next two-to-three decades, it is somewhat surprising that less than one-third of EU Member States have clear objectives related to entrepreneurship policy. Business creation and self-employment can be part of the solution to extend people careers and keep them active and engaged in society.

**Entrepreneurship policies and schemes need to recognise that there are some factors in the decision to start a business that cannot be changed.** This includes, for example, the age of a person, their health or an individual's preference for leisure over work. Therefore, policy should focus on the contextual factors that influence an older person's decision to enter into self-employment.

**Figure 5.1. Few EU governments use entrepreneurship as part of their active aging policies**

Share of EU Member States, 2020



Note: It is possible for countries to have clear policy responsibility at both the national and sub-national levels; these are not mutually exclusive.  
Source: (OECD, 2020<sup>[13]</sup>)

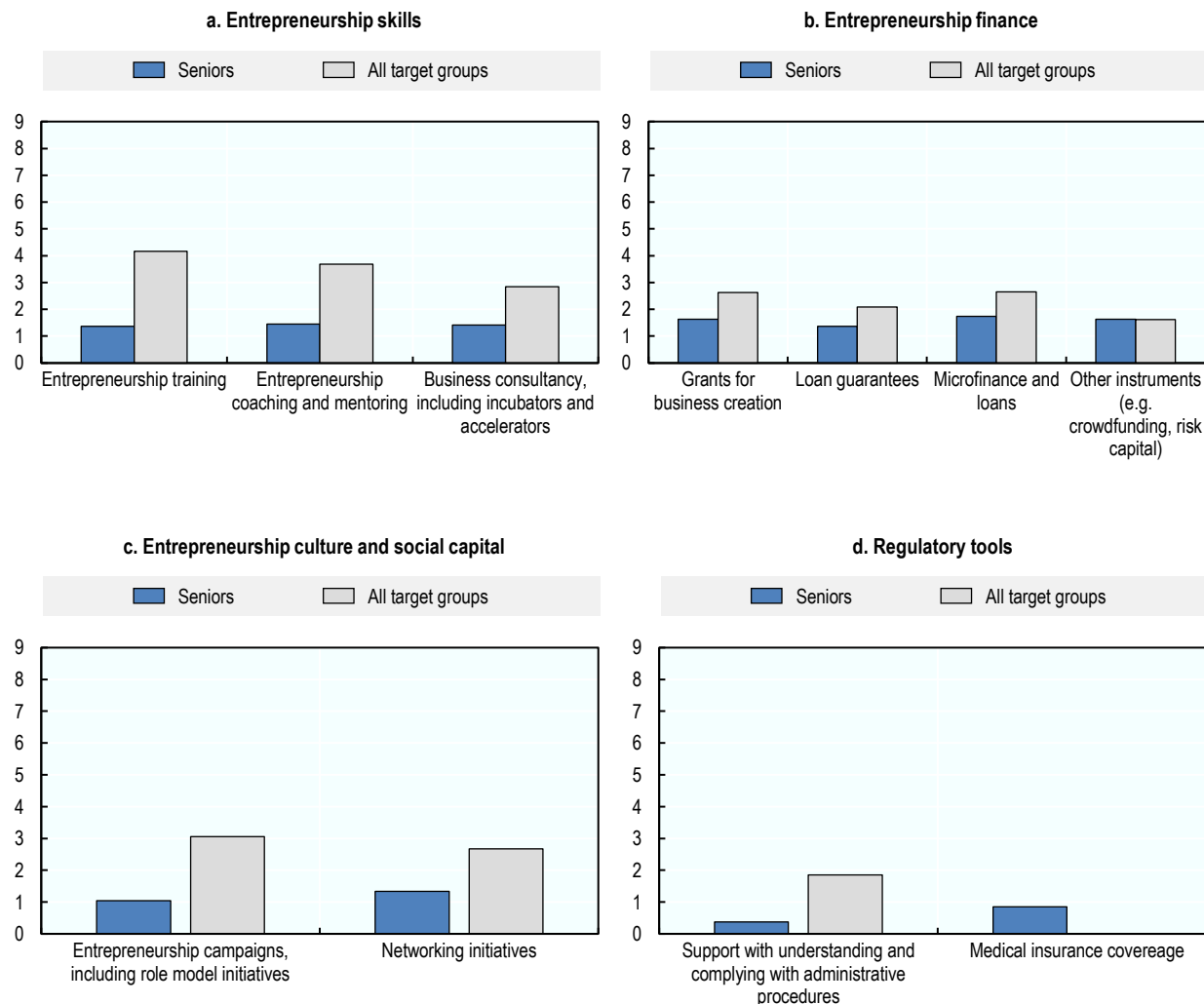
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### ***Entrepreneurship schemes for seniors are under-developed in the EU***

**There are a small number of entrepreneurship initiatives and schemes designed specifically to support older people in business start-up activities.** The OECD inclusive entrepreneurship policy assessments across the EU found that senior entrepreneurship schemes tend to be very small-scale (e.g. 10 participants) and operate for a short period (e.g. two years). Using the OECD's 9-point assessment criteria (see Reader's Guide), entrepreneurship schemes for seniors are, on average, less likely to follow good practice principles for inclusive entrepreneurship policy (Figure 5.2). For example, they typically do not use a consultation process while they are being developed, outreach practices are limited and very few use monitoring and evaluation tools to report on their impact or to strengthen their design and delivery.

**Figure 5.2. Senior entrepreneurs have less access to tailored support than other target groups**

Average OECD assessment scores for inclusive entrepreneurship schemes across EU Member States, 2020



Note: The panels in this figure present an unweighted average of policy assessment scores for EU Member States. Each policy instrument (e.g. Entrepreneurship training) is assessed a score out of 9 as described in the Reader's Guide. The figure shows the average score for schemes for immigrant entrepreneurs relative to the score for all inclusive entrepreneurship groups combined (i.e. women, immigrants, youth, seniors and the unemployed). Some of the policy instruments in panel d are designed specifically for immigrant entrepreneurs so there is no comparative policy assessment score for all inclusive entrepreneurship target groups.

Source: (OECD, 2020<sup>[13]</sup>)

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### *Building entrepreneurship skills*

**Older people that are interested in starting a business or becoming self-employed may have spent their entire careers working as employees, which gives them a lot of experience but they may need additional skills to be successful in entrepreneurship and self-employment.** Entrepreneurship and self-employment require a broader set of skills that includes opportunity recognition as well as a broad set of business management skills. Governments have a range of schemes in place to support seniors in acquiring these entrepreneurship skills, including training programmes, coaching and mentoring and business consultancy.

**Tailored entrepreneurship training programmes for seniors are not commonly offered in EU Member States.** While entrepreneurship training programmes for seniors often focus on developing a business plan, they are also generally quite strong at directing participants to sources of financing and more intensive support offers. Many of these schemes are integrated with other types of entrepreneurship support, notably small amounts of financial support and coaching. However, assessing the impact of these schemes is not often done.

**Similarly, entrepreneurship coaching for seniors is not widely available for older people interested in receiving individual support during the start-up and early development phases.** However, a small amount of coaching is almost always offered as part of integrated support packages, i.e. when training and start-up finance such as small grants or loans are offered together. Schemes can also do more to utilise the experience and expertise of senior entrepreneurs as coaches and mentors to support younger entrepreneurs.

**Business consultancy schemes for senior entrepreneurship are extremely rare in the EU.** However, it is not clear if there is a strong demand for senior entrepreneurs for this type of support. Moreover, senior entrepreneurs can access general business consultancy programmes.

#### *Facilitating access to start-up finance*

**Access to finance is a commonly cited challenge for all entrepreneurs and even though seniors may have been able to accumulate savings over their career, many have difficulties securing sufficient funds to start a business.** This is particularly true for those older people that start a business out of retirement, who are less likely to have extra savings that can be invested in a new start-up. Common approaches to facilitating access to finance for senior entrepreneurs include small grants and microfinance. However, few of these schemes are designed specifically for the needs for senior entrepreneurs since age alone would not be expected to be a barrier for accessing finance. However, the length of the period to repay debt is likely shorter than it would be for younger entrepreneurs, which may reduce the amount of debt offered. Nonetheless, there have been a small number of start-up finance schemes in the EU over the past decade that have used tailored outreach products to attract potential older entrepreneurs.

#### *Expanding entrepreneurship networks*

**Networks are critical for entrepreneurs because they are a source of resources, ideas, feedback, clients, suppliers and more.** Seniors who are still working often have extensive professional networks in their occupation and industry but the value of these networks can diminish quickly once a person stops working (e.g. retirement or unemployment). Governments can help senior entrepreneurs (re-)establish by connecting entrepreneurs to existing entrepreneurship networks, or using mentoring schemes. Most networking schemes for seniors in the EU tend to be offered as part of integrated support packages, supporting the development of both formal and informal networks.

#### *Supporting senior entrepreneurs with regulatory tools*

**While there is always a temptation for governments to design new initiatives and schemes, the best approach can be to improve existing mechanisms.** Removing disincentives to entrepreneurship for seniors within existing social support systems could be a significant step to make entrepreneurship more attractive for older people. This could include, for example, ensuring that income tax and social security systems do not discourage labour market activities and entrepreneurship by reducing benefits when income is earned. One issue that many countries are introducing is medical insurance for self-employed people because fears about becoming sick and not being able to meet business payments is a barrier for some older entrepreneurs. Although these types of schemes do not target older workers specifically, they stand to benefit from this type of social protection. Different countries have different schemes with different levels of coverage, including both mandatory and optional schemes.



## **Recent developments in senior entrepreneurship policy**

**Policy support in the EU for senior entrepreneurship has changed little over the past decade despite the European Year of Active Ageing and Solidarity between Generations in 2012 that sought to draw attention to the needs of seniors.** A small number of countries recently embedded senior entrepreneurship in active aging strategies including Lithuania. These relatively new Strategy for the Demographic, Migration and Integration Policy for 2018-30 outlines a plan to address the challenges of demographic change, including improving the quality of life of seniors. The Strategy implementation plan for 2019-21 outlines relevant measures from other strategic documents and also includes new measures on employment and entrepreneurship for seniors and immigrants. It also proposes measures on providing the financial support to NGOs to encourage social entrepreneurship (OECD, 2020<sup>[13]</sup>). However, this example is the exception rather than a representation of similar actions across the EU.

**A small number of schemes have been implemented to support senior entrepreneurs at the national and regional levels.** This includes the initiative *Gründen mit Erfahrung* (“Founding with Experience”) in Germany which was launched in 2019 by the German Centre for Productivity and Innovation (*RKW Kompetenzzentrum*) to establish a discussion around business creation by “baby boomers” and to raise awareness about the potential benefits of entrepreneurship by seniors. This initiative is funded by the Federal Ministry for Economic Affairs and Energy (BMWi) as part of their initiatives to mitigate the effects of demographic change (OECD, 2020<sup>[13]</sup>).

**There is also a very small number of examples where policies for senior entrepreneurship have been adjusted to respond to the COVID-19 crisis.** This includes the scheme Intergenerational Pairs for Business Creation and Takeover (*Tandem InterGénérationnel pour la création et la Reprise d'Entreprise*, TIGcRE) in France, which supports entrepreneurship projects led by teams of senior and youth entrepreneurs. The scheme was designed around in-person workshops but this was not possible during the COVID-19 pandemic due to restrictions on in-person meetings. As a result, programme managers adjusted the delivery of support from two-day workshops to online workshops that are organised over a four-week period. In addition, online networking events were added to the scheme to help strengthen connections between participants and with other business support organisations (OECD, 2020<sup>[13]</sup>).

## **Trends in self-employment by seniors**

### ***The self-employment rate for seniors is declining***

**The share of working seniors who are self-employed in the EU has declined by five percentage points since 2002.** In 2020, about 17% of people aged 50-64 years old were self-employed, representing 12.5 million people. This proportion was above the overall share in the working population (15-64 years old) (13%) but below the share in 2002 (22%) (Figure 5.3).

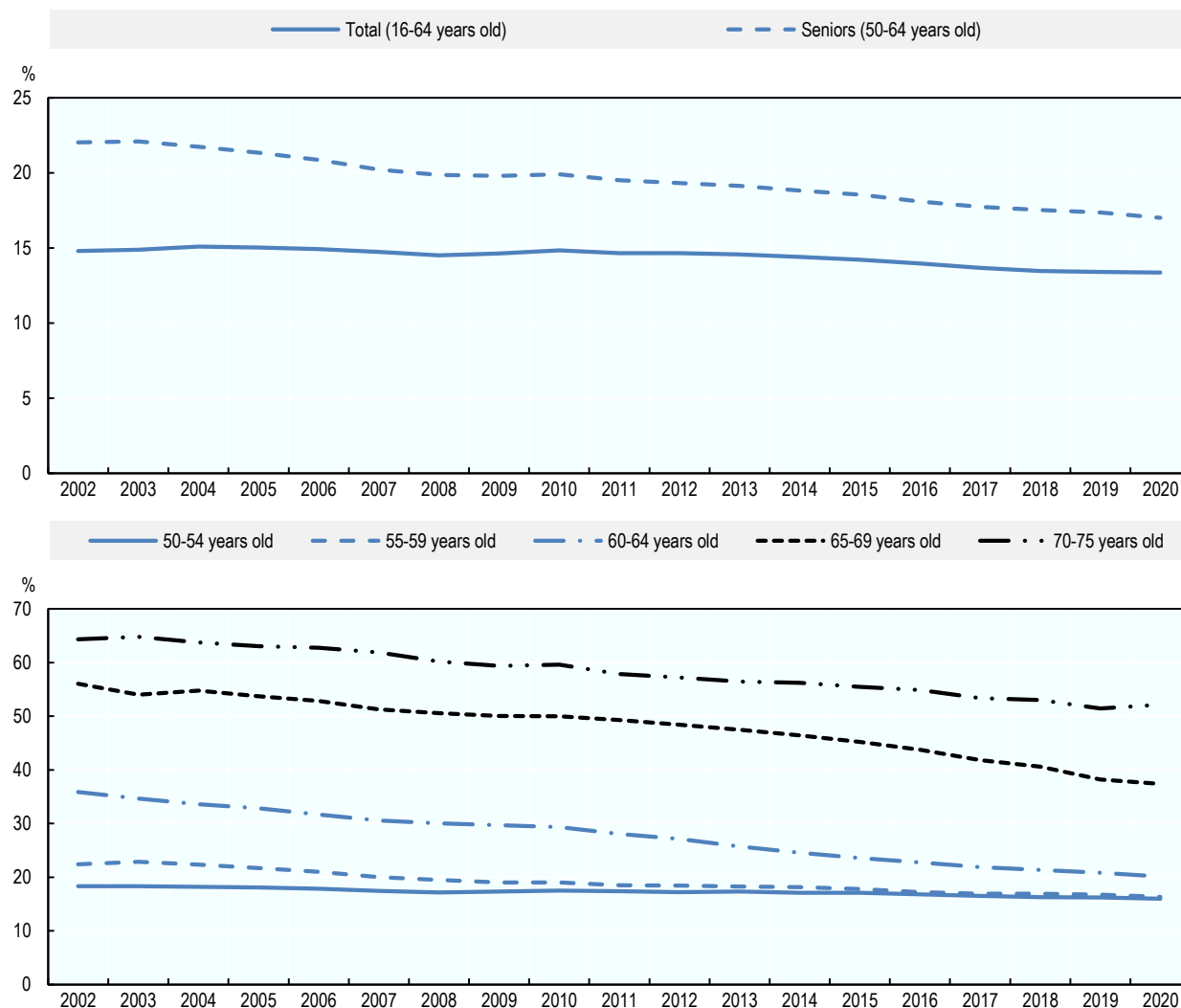
**The self-employment rate among seniors increases with age.** In 2020, the majority of the working population between 70 and 75 years old in the EU were self-employed (52%) relative to 37% of those 65-69 years old and 20% of those 60-64 years old. Only about two-in-ten workers aged 50 to 59 years old were self-employed in 2020. Several key factors likely explain these relatively high self-employment rates among older age cohorts. First, many of these workers have likely been self-employed for most or all of their career and therefore do not have a pension plan that would allow them to retire. Second, some seniors use self-employment as a bridge to retirement, allowing them to reduce their workload and control the activities that they work on. This is particularly common in Luxembourg and the Netherlands (OECD, 2020<sup>[13]</sup>). Third, the incidence of part-time self-employment increases with age (Eurostat, 2021<sup>[14]</sup>), so it appears that some self-employed seniors start a small business activity to remain professionally and socially active without working full-time. In 2017, Finland changed its pension scheme in an effort to



encourage those aged 63 to 67 years old to continue working, which led to a substantial decrease in inactivity among this age cohort (OECD, 2020<sup>[13]</sup>).

**Figure 5.3. Self-employment for seniors increases with age but has declined over time**

Self-employment in the EU as a percentage of employment



Source: (Eurostat, 2021<sup>[14]</sup>)

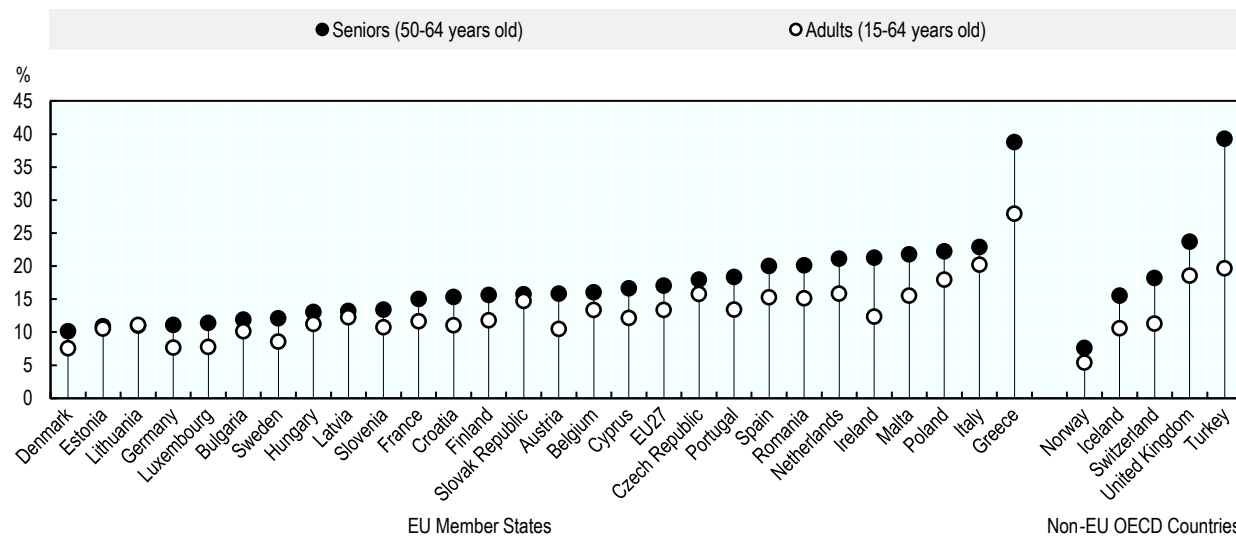
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**Self-employment rates for seniors vary substantially across countries but are often higher in EU Member States with lower labour market participation rates among old age cohorts.** The self-employment rate for those aged 50-64 years old was highest in Greece in 2020 (39%), well above other EU Member States (Figure 5.4). The second highest rate was in Italy (23%), followed by Poland (22%). There was a moderate negative correlation rate (-0.5) between the self-employment rate and labour market participation rates for seniors over the period 2002-20. A recent study on age discrimination in Europe identifies both Poland and Greece as countries with higher levels of discrimination by age, which could explain the reason that many older workers prefer self-employment to employment (Bratt et al., 2018<sup>[15]</sup>). Greece also had significant changes to their pension system, which affects labour market decisions of

older people. Pension and social protection schemes were modified during the bailout period (2010-18), extending the working life of many older low-skilled workers. Following the crisis, senior workers experienced high unemployment rates and many were unable to find new jobs in the challenging labour market. Many jobs were temporary or part-time at minimum wage making it difficult for older workers to save for retirement. Evidence indicates many chose self-employment because of the lack of alternative employment opportunities but do not seek to grow, which leads to stagnation (OECD, 2020<sub>[16]</sub>).

**Figure 5.4. Self-employment rates for seniors vary by country**

Self-employment as a percentage of employment, 2020



Note: Data for the United Kingdom are for 2019.  
 Source: (Eurostat, 2021<sub>[14]</sub>)

StatLink  <https://doi.org/10.1787/888934280802>

### Box 5.2. Country spotlight – Bridging to retirement through self-employment, United States

As workers become eligible for Social Security or pension schemes, they often transition to retirement. A recent study using data from the Health and Retirement Study (HRS) in the United States investigates the impact of eligibility for Social Security on work transitions. The report examines three age cohorts from 1999 to 2013: (i) 1965 birth cohort (34 to 48 years old during period of observation), (ii) 1945 birth cohort (54 to 68 years old) and (iii) 140 birth cohort (59 to 73 years old).

Social Security acts as a marker for beginning the retirement process. The report finds becoming eligible for Social Security often leads to transitions by wage-earners to self-employment for a variety of reasons. The added financial liquidity provided by Social Security creates the ability for some wage-earners to pursue a business opportunity, while others begin to reduce hours at work and begin pursuing hobbies which in some cases may lead to self-employment. Across all three age cohorts, 4% of wage-earners transitioned to self-employment after 4 years – up from 2% after 2 years (Table 5.2).

**Table 5.2. About 4% of older employees in the US transition to self-employment before retirement**

	Transition probabilities t + 2			Transition probabilities t + 4		
	Not working	Wage earner	Self-employed	Not working	Wage earner	Self-employed
Not working	0.92	0.05	0.02	0.91	0.06	0.03
Wage earner	0.16	0.81	0.02	0.27	0.69	0.04
Self-employed	0.16	0.07	0.77	0.25	0.10	0.65

Source: (Ramnath, Shoven and Slavov, 2021<sup>[17]</sup>)

## Characteristics of self-employed seniors and their activities

### *Self-employed seniors are more likely to have employees*

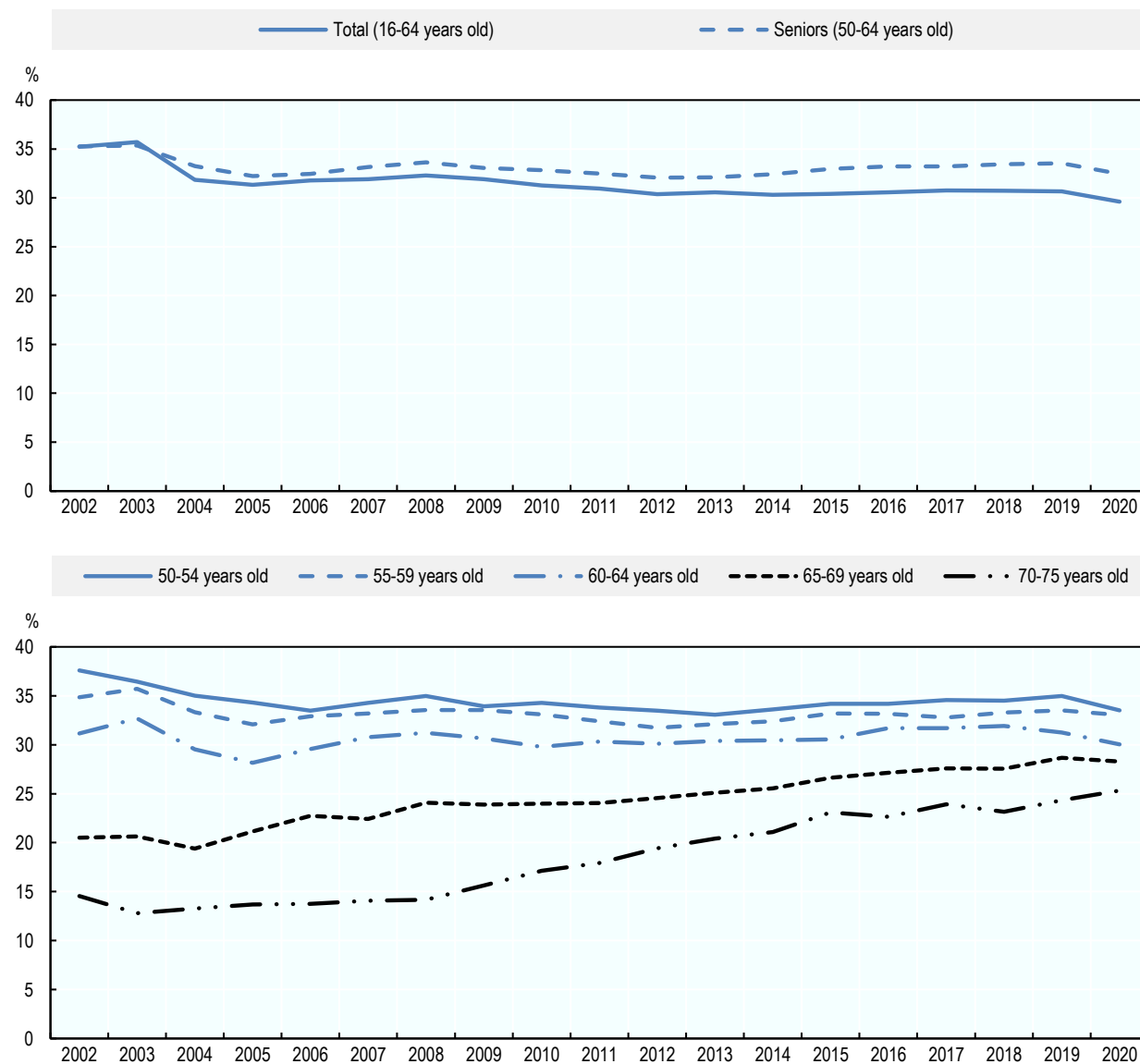
**About one-third of self-employed seniors in the EU had a least one employee in 2020, which was slightly above the overall proportion of self-employed people.** In 2020, 33% of self-employed seniors in the EU (50-64 years old) employed relative to just under 30% of all self-employed people (Figure 5.5).

**Among self-employed employed seniors, the likelihood of having employees decreases with age.**

About 34% of those between 50 and 54 years old had at least one employee relative to 33% of those 55 to 59 years old and 30% of those 60 to 64 years old. Those over 65 years old were slightly less likely to have employees – 28% of those 65 to 69 years old and 25% of those 70 to 74 years old. Although the proportion of self-employed people between the ages of 50 and 64 years old who employ others has been relatively stable since 2002, the proportion of those over 65 years old employing others has increased. This is largely explained by the aging of self-employed seniors who already had employees (under 65 years old) rather than a growth in the number of older self-employed people hiring new employees.

**Figure 5.5. The share of seniors with employees increased most among those over 65 years old**

Percentage of self-employed in the EU



Source: (Eurostat, 2021<sup>[14]</sup>)

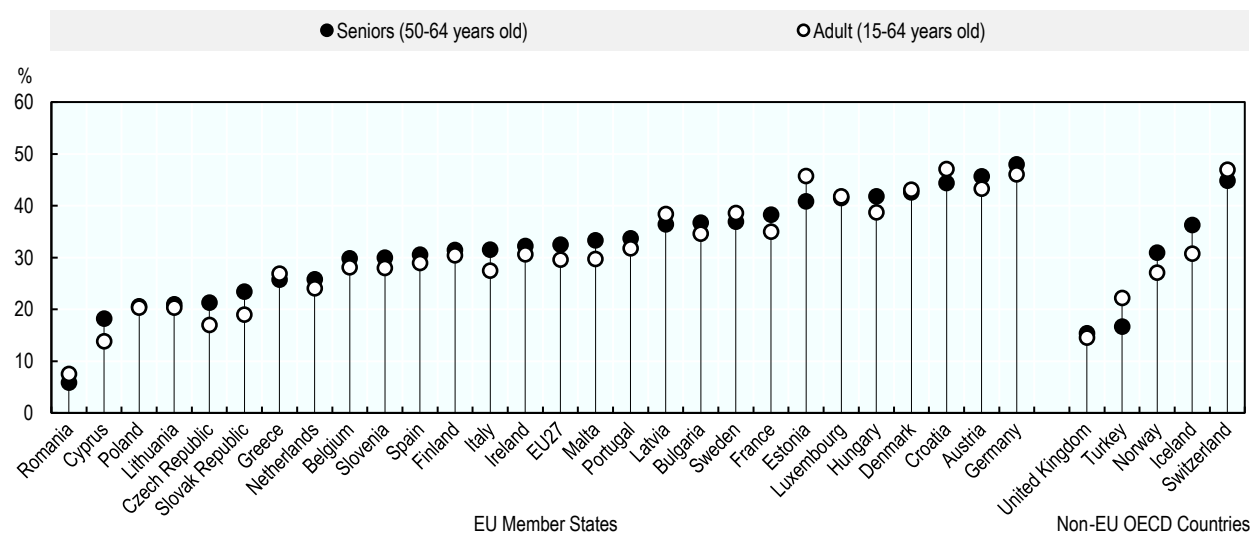
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**Nearly half of self-employed seniors employed others in some EU Member States such as Austria and Germany.**

In 2020, the proportion of self-employed seniors (50-64 years old) who employed others ranged from about 6% in Romania to 48% in Germany (Figure 5.6). The share of self-employed seniors who were employers in 2020 was nearly perfectly correlated with the overall share of self-employed who were employers. Self-employed seniors were less likely to be employers than the overall rate in only six EU Member States – Croatia (44% vs. 47%), Estonia (41% vs. 46%), Greece (26% vs. 27%), Latvia (36% vs. 38%), Romania (6% vs. 8%) and Sweden (37% vs. 39%) – but the gap was very small in each country.

**Figure 5.6. The share of self-employed seniors varied across EU Member States**

Percentage of the self-employed, 2020



Source: (Eurostat, 2021<sup>[14]</sup>)

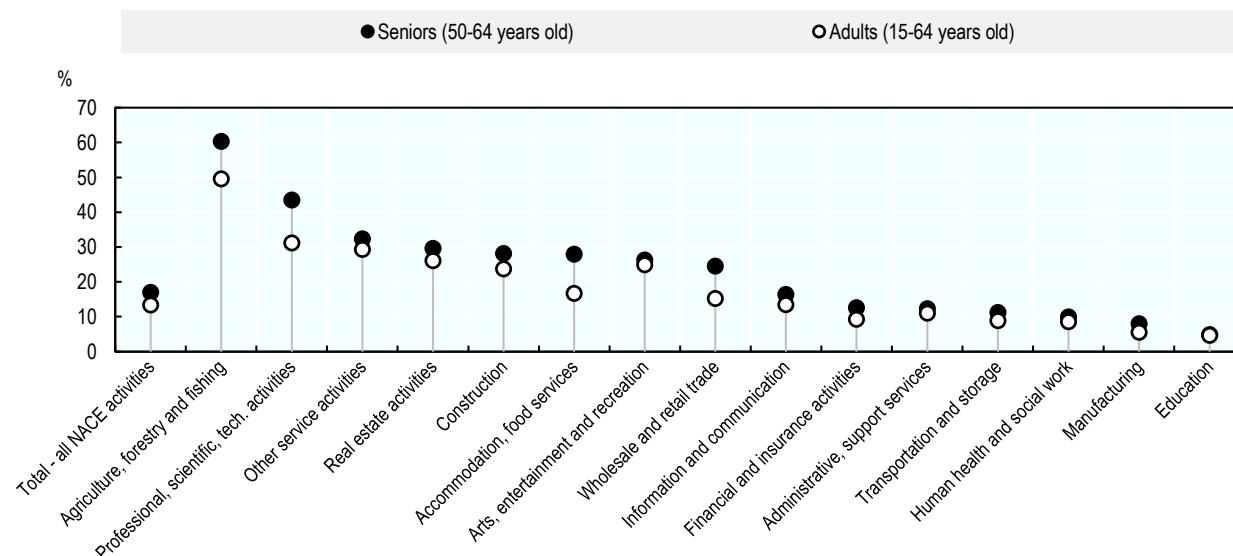
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### ***Seniors have higher self-employment rates than the total population across all sectors...***

**In 2020, the share of seniors who were self-employed was greater than the self-employment rate in all sectors of the economy.** Seniors (50-64 years old) in the EU working in Agriculture, forestry and fishing were the most likely to be self-employed (60%), followed by professional, scientific, technical activities (44%) and other service activities (32%), which includes personal services (e.g. hairdressing and beauty services), computer repair and more (Figure 5.7). These proportions generally follow the overall self-employment rates by sector but the rates for seniors were above the self-employment rates for the overall population (15-64 years old). However, the gap in self-employment rates between seniors and the overall population was large in professional, scientific, technical activities (12 percentage points, p.p.), accommodation and food services (11 p.p.) and agriculture, forestry and fishing (11 p.p.). This gap can be partially explained by the nature of the work in these sectors (e.g. some sectors have less physically demanding work than others) as well as different regulations across sectors (e.g. social security contributions and insurance requirements).

**Figure 5.7. More than 60% of seniors working in Agriculture, forestry and fishing in the EU are self-employed**

Self-employment as a percentage of employment in the EU, 2020



Note: The following sectors were excluded because the self-employment rate was less than 1% or the data were could not be reported due to a low reliability of the estimate: Public administration and defence, compulsory social security; Mining and quarrying; and Electricity, gas, steam and air conditioning supply.

Source: (Eurostat, 2021<sup>[14]</sup>)

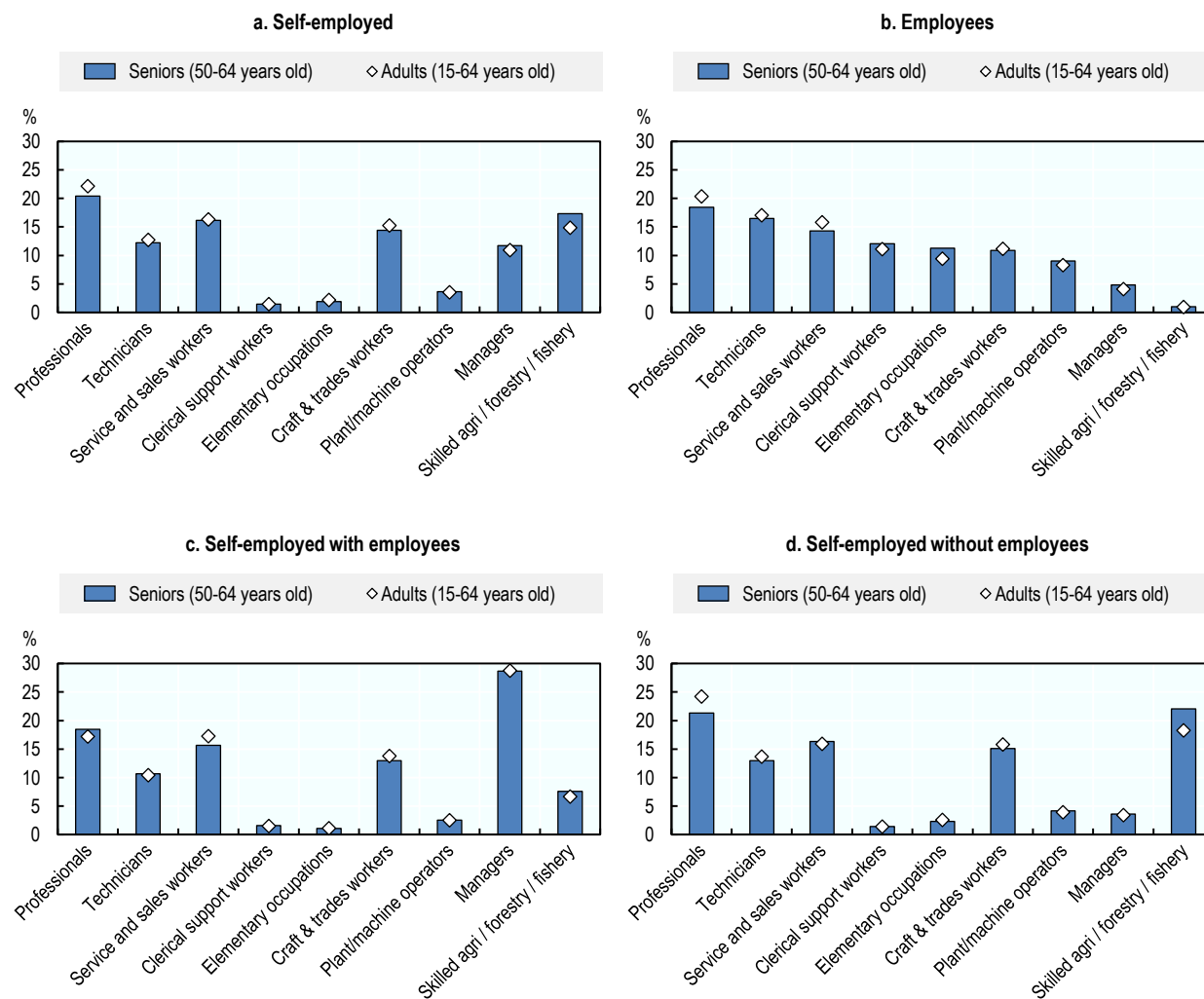
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### ***...and the majority of self-employed seniors are professionals***

**The distribution of self-employed seniors in the EU by occupation is essentially the same as the overall distribution of self-employed workers by sector.** About one-fifth of self-employed seniors in the EU were in professional occupations in 2020 (e.g. business and administration professionals, ICT professionals), while 16% were service and sales workers and 14% were craft and trade workers (Figure 5.8). Conversely, self-employed seniors were least likely to be working as clerical support workers (2%) or elementary occupations (2%). However, self-employed seniors with employees had a higher concentration in managerial occupations (29%), which was the same share for the overall population (15-64 years old).

**Figure 5.8. One-fifth of self-employed seniors are professionals**

Distribution of workers by sector in the EU, 2020



Source: (Eurostat, 2021<sup>[14]</sup>)

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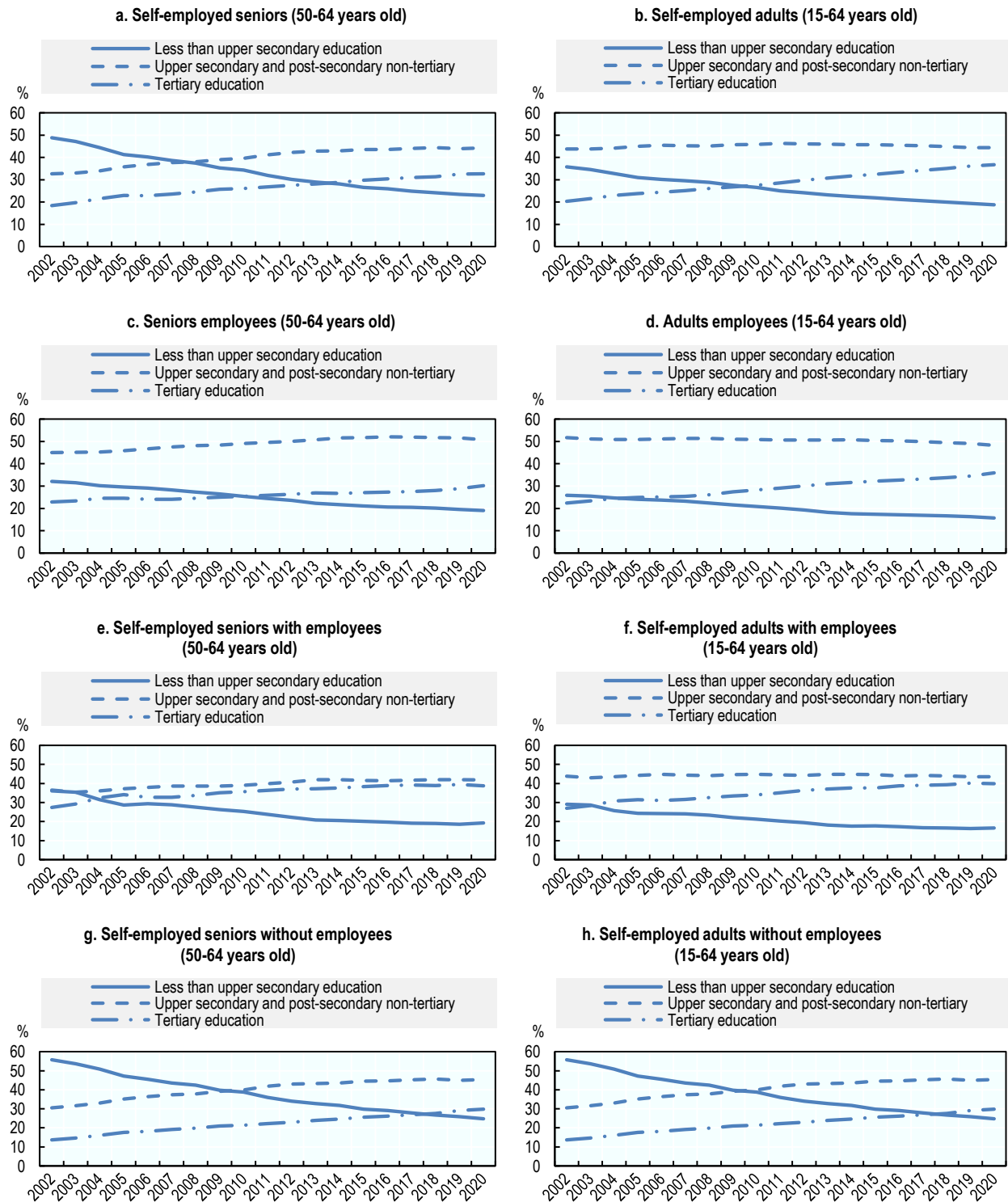
### **Self-employed seniors are more likely to have a tertiary education than those working as employees**

**The share of self-employed seniors in the EU with a tertiary education increased over the last two decades, following the overall trend for self-employed adults.** In 2002, about 19% of self-employed seniors (50-64 years old) in the EU had a tertiary education and share increased to 33% in 2020 (Figure 5.9). Similarly, the share with an upper second and non-tertiary education increased 33% to 44% over this period. These increases were offset by a decrease in the share who had less than an upper secondary education, which declined from 49% to 23%. The increase in the share of self-employed seniors with a tertiary education mirrored the overall increase in the population and is explained by increasing the growing share of the population obtaining a tertiary education and the aging of this population. Self-employed seniors were slightly more likely to have a tertiary education than seniors working as employees but also more likely to have less than an upper secondary education.



**Figure 5.9. Self-employed seniors with employees are more likely to have a tertiary education than those without employees**

Distribution of the self-employed and employees in the EU by educational attainment



Source: (Eurostat, 2021<sub>[14]</sub>)

StatLink  <https://doi.org/10.1787/888934280897>

## Activities by seniors over the entrepreneurship life-cycle

**Entrepreneurship activities by seniors can also be estimated through household surveys.** The Global Entrepreneurship Monitor (GEM) is one of the most well-known annual international population surveys on entrepreneurship, asking about people's involvement in business creation and management. GEM is a network composed of researchers and research institutes that manage these annual household surveys. For more information on GEM, please refer to the Reader's Guide at the beginning of this report.

### *Few seniors are involved in early-stage entrepreneurship...*

**Seniors were almost half as likely as the overall population in the EU to be actively working on creating a new business between 2016 and 2020.** About 2% of people between 50 and 64 years old were involved in nascent entrepreneurship activities in the EU over this period, which estimates the share of the population who were actively working towards the creating a new business that has not paid salaries or wages for more than three months (Figure 5.10). This is below the overall share of the population involved in nascent entrepreneurship (4%). However, the share of seniors involved in nascent entrepreneurship was higher in OECD countries (5%), which is consistent with a higher overall nascent entrepreneurship rate for this period. Several factors explain low levels of business creation among seniors, including a high proportion are already engaged in self-employment and many prefer to retire.

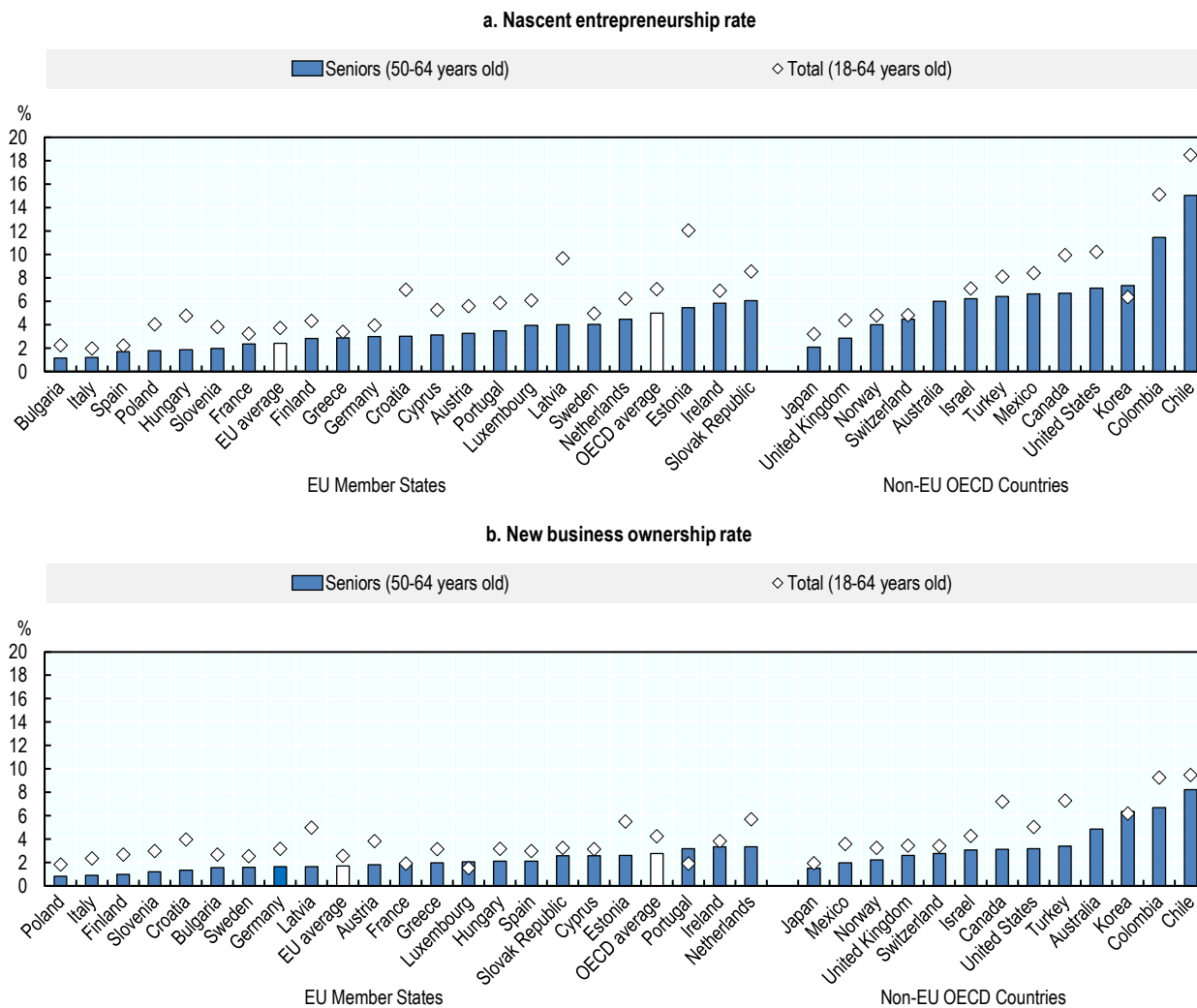
**The nascent entrepreneurship rate for seniors varied somewhat across EU Member States over the 2016-20 period, ranging from about 1% in Bulgaria and Italy to 6% in the Slovak Republic and Ireland.** The difference across countries can be largely explained by differences in entrepreneurship rates across countries and also differences in age structures of the population. However, there are also some country-specific factors that influence labour market decisions made by people near the end of their career. In the Netherlands, for example, the retirement age will increase to 67 years old beginning in 2024 and this is expected to increase entrepreneurship activities among seniors as a growing share of people look to business creation as a mechanism for transitioning into retirement (CBS, 2020<sup>[18]</sup>).

**The share of seniors involved in new business ownership in the EU was also lower than the share for the overall population over the period 2016-20.** Less than 2% of new business owners – those who own a business that is less than 42 months old – were 50-64 years old relative to about 3% of the overall population. Consistent with the nascent entrepreneurship rate, the new business ownership rate for seniors was higher in OECD than in EU countries (more than 4%).

**New business ownership rates among seniors did not vary substantially across EU Member States.** Seniors were the most likely to be new business owners in Portugal, Ireland and the Netherlands where about 3% of those 50-64 years old owned a new business (Figure 5.10). The new business ownership rate also tended to be low in countries where the nascent entrepreneurship rate was low. Less than 1% of seniors in Poland and Italy had the lowest level of new business ownership in the EU.

**Figure 5.10. Early-stage entrepreneurship varies by country**

Percent of the population (18-64 years old), 2016-20



Note: Nascent entrepreneurship rate is the proportion of the population that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. New business ownership is the proportion of the population that is currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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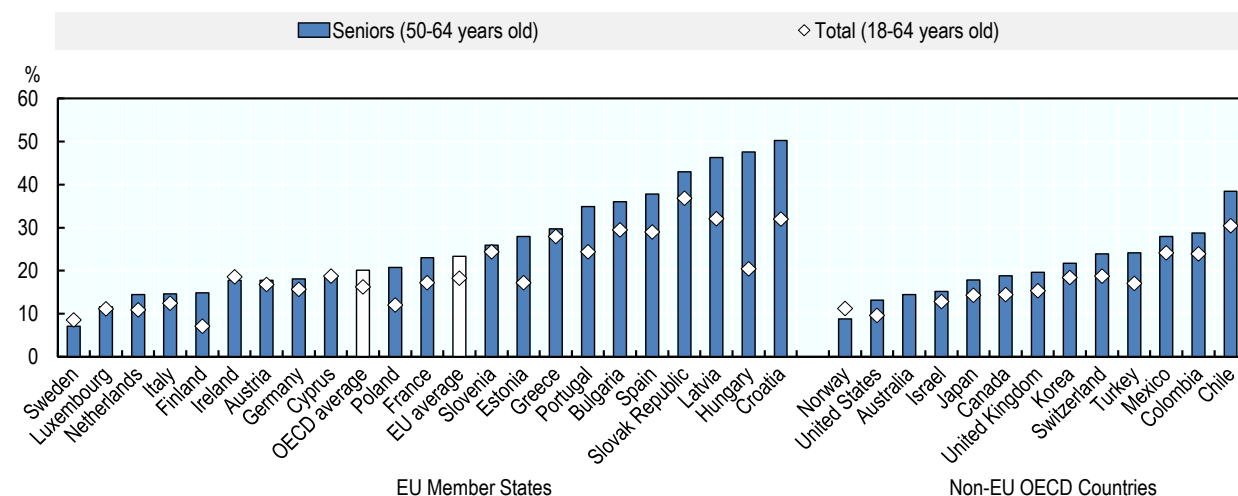
### ...and were more likely than adults to have started their business out of necessity

The GEM survey shows that seniors in the EU were more likely to start their early-stage business activity between 2016 and 2020 because they could not find suitable employment. Nearly one-quarter of new entrepreneurs between 50 and 64 years old started their business out of “necessity” relative to the overall average (15-64 years old) of 18% (Figure 5.11). These shares were higher than those reported in OECD countries where about 20% of new early-stage senior entrepreneurs launched their business out of necessity. While it is not uncommon for people to start a business to earn income because they cannot find a job, there are some factors that are more likely to affect those who are at the end of their career. For example, research in France shows that necessity entrepreneurship among seniors can be driven by a lack of retirement savings and new financial pressures that arise from children attending post-secondary education or second families that have been started by people who have remarried (Malek, Adnane and Imen, 2011<sup>[12]</sup>).

At the country level, there was often but not always a strong correlation between the overall rate of necessity entrepreneurship and the share of seniors who were “necessity” entrepreneurs. Half of early-stage senior entrepreneurs in Croatia reported that they started their business out of necessity, followed by Hungary (48%) and Latvia (46%) (Figure 5.11). These necessity rates were well above those for the overall population – 32% in Croatia and Latvia and 20% in Hungary. On the other hand, the necessity rate tended to be lower Member States with strong public pension systems such as Luxembourg, Netherlands and Sweden. Research from the Netherlands shows that seniors who pursue entrepreneurship at the end of their career are people who have had successful careers and who have better access to resources (e.g. networks, finance) (Lassen and Vrangbæk, 2021<sup>[6]</sup>).

**Figure 5.11. Nearly one-quarter of seniors started businesses out of necessity in the EU**

Percent of early-stage entrepreneurs, 2016-20



Note: Necessity entrepreneurship rate is the proportion of early-stage entrepreneurs (i.e. nascent entrepreneurs and new business owners) who launched their business due to a lack of other opportunities in the labour market. All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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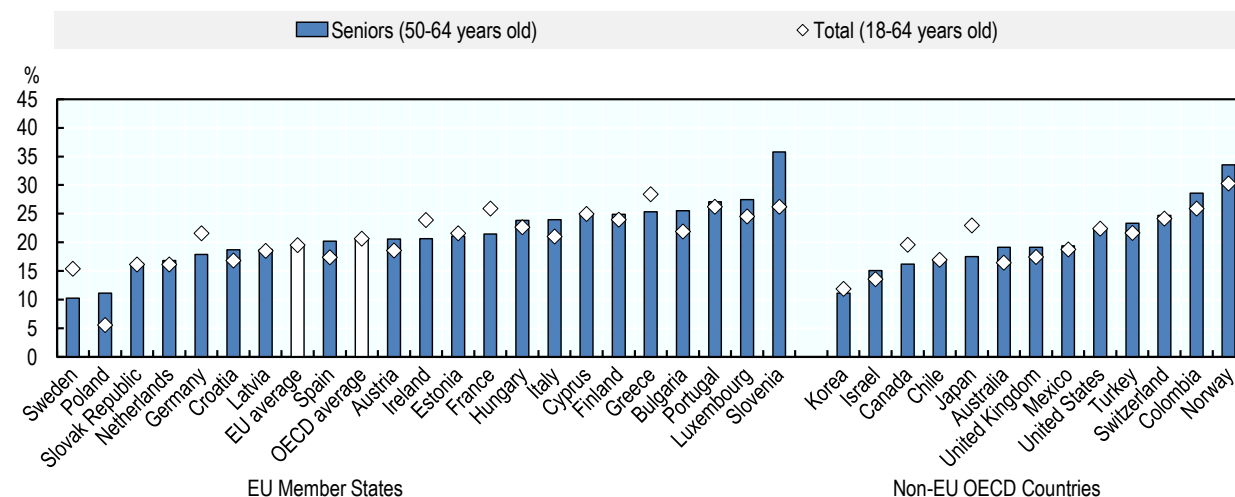
## New senior entrepreneurs were as likely as all adults to start a business in a team

**One-in-five nascent entrepreneurship projects in the EU are started by teams of three or more, and seniors were no exception.** Between 2016 and 2020, 20% of nascent entrepreneurship activities by those 50 to 64 years old were undertaken by teams of three or more people (Figure 5.12). The share of nascent senior entrepreneurs in the EU operating in teams was about the same as the OECD average for this period (21% for both seniors and the whole population).

**The share of senior entrepreneurs working in teams varied little across EU Member States, with the exception of a few countries where it was really common or not common.** Team entrepreneurship was the most common among seniors in Slovenia over this period where more than one-third of nascent senior entrepreneurs (36%) reported working in teams relative to 26% of all nascent entrepreneurship activities. On the other hand, relatively few senior entrepreneurs were working in teams in Poland (11%) and Sweden (10%).

**Figure 5.12. Around one-fifth of seniors started a business in a team**

Percent of nascent entrepreneurs, 2016-20



Note: Nascent entrepreneurship rate is the proportion of the population that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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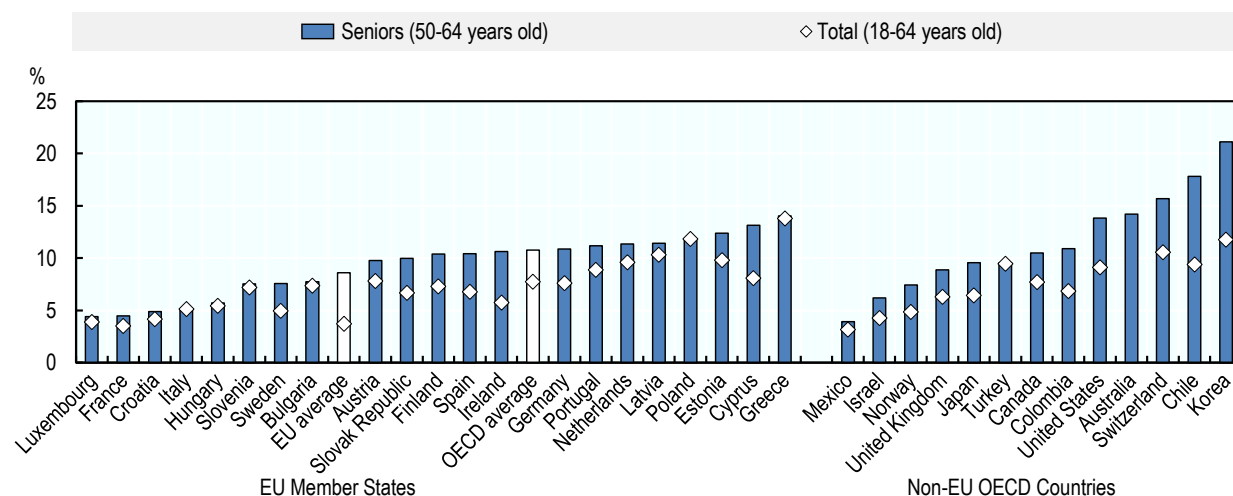
## Seniors are twice as likely as all adults to be established business owners

Contrary to the measures of early-stage entrepreneurship – nascent entrepreneurship activities and new business ownership – the share of seniors who are established business owners is greater than the overall share in the population. Nearly 9% of seniors (50-64 years old) in the EU were owners of an established business, i.e. on that has paid salaries, wages or any other payments to the owners for more than 42 months. This share is higher than the nascent entrepreneurship and new business ownership rates because this measure picks up the stock of business owners in the economy rather than the flow of people into entrepreneurship. It is not surprising that younger people are more likely to be new entrepreneurs because most of the older people who want to be entrepreneurs already are. A similar picture emerges in OECD countries, but a slightly greater proportion of seniors in OECD countries are established business owners (11%), which is consistent with higher rates of early-stage entrepreneurship.

The share of seniors who were established business owners between 2016 and 2020 varied across EU Member States, ranging from 4% in Luxembourg to 14% in Greece. The level of established business ownership among seniors is influenced by a large range of factors – much like self-employment rates – including labour market conditions, access to finance, competition and market factors, regulatory burden and more.

Figure 5.13. Nearly 9% of seniors in the EU are owners of an established business

Percent of the population (18-64 years old), 2016-20



Note: Established business ownership rate is the proportion of the adult population that are currently owner-managers of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months. All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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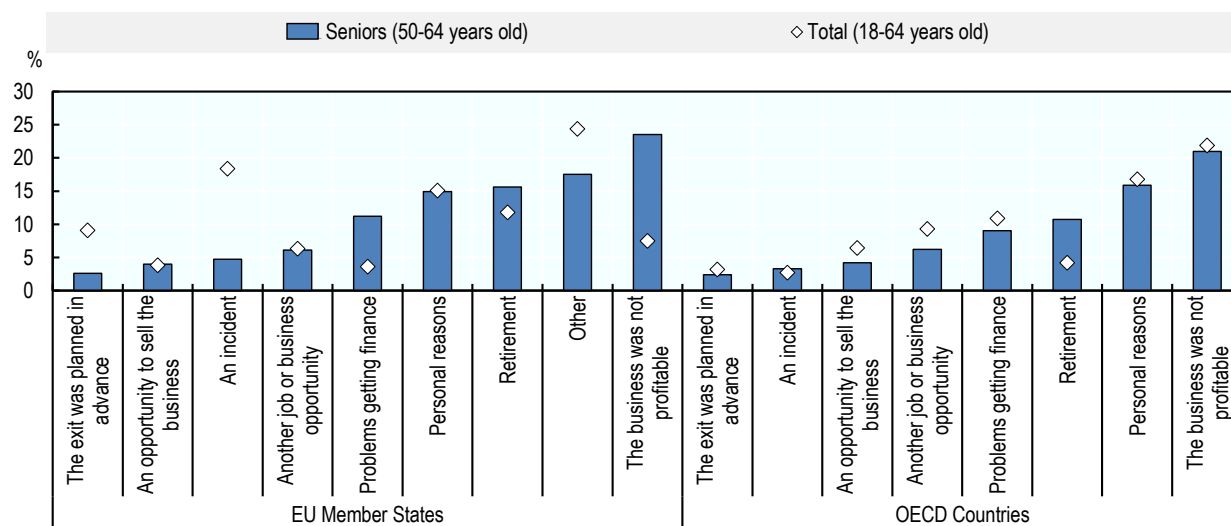
## Most seniors stopped operating their business because it was not profitable

About 40% of seniors who stopped their business during the previous year reported that they were motivated by retirement or that their business was not profitable. Between 2016 and 2020, (50-64 years old) were three times more likely than all entrepreneurs who closed a business during the previous year to report that their main motivation was that it was not profitable (24% vs. 8%) (Figure 5.14). Few senior entrepreneurs reported that they exited their business because they had an opportunity to sell it (6%). This could point to a need for greater policy actions to support business transfers for entrepreneurs who seek to sell their business to fund their retirement.

**Figure 5.14. One-quarter of seniors who stopped their business were more likely to cite lack of profit over retirement**

“What was the most important reason for quitting this business?”

Share of entrepreneurs that exited in the past 12 months, 2016-20



Note: All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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## Barriers to business creation by seniors

**Seniors reported that fear of failure was a barrier to business creation as often as younger people**

“Fear of failure” does not appear to be a disproportionate barrier to business creation for seniors. While 44% of seniors (50-64 years old) in the EU reported that a “fear of failure” was an obstacle to



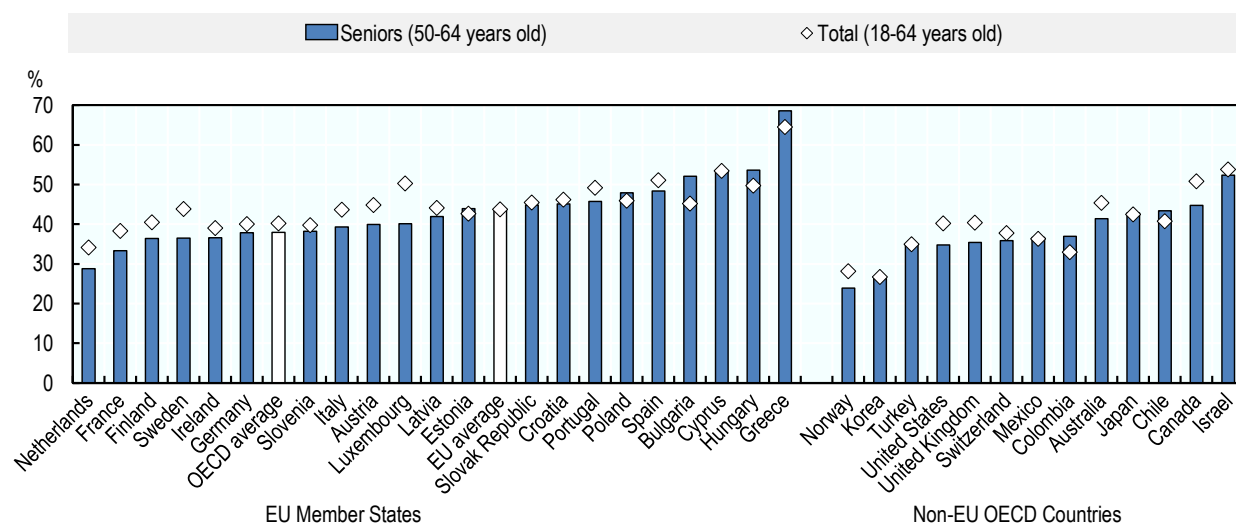
business creation over the period 2016-20, this was not different than the share in the overall population (Figure 5.15). The share of seniors reporting that fear of failure was a barrier to business creation was slightly higher in the EU than in OECD countries over this period (38%). This suggests that there are differences in social attitudes towards risk in EU and non-EU OECD countries and is consistent with higher early-stage entrepreneurship rates in non-EU OECD countries.

**The share of seniors reporting that fear of failure varied greatly across EU Member States.** Between 2016 and 2020, the proportion of seniors (50-64 years old) reporting this barrier ranged from 29% in the Netherlands to 69% in Greece.

**Figure 5.15. Nearly 45% of seniors report a fear of failure as a barrier to business creation**

“Does a fear of failure prevent you from starting a business?”

Percentage of population (18-64 years old) who responded “yes”, 2016-20



Note: All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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### **Seniors are as likely as the overall population to report having entrepreneurship skills**

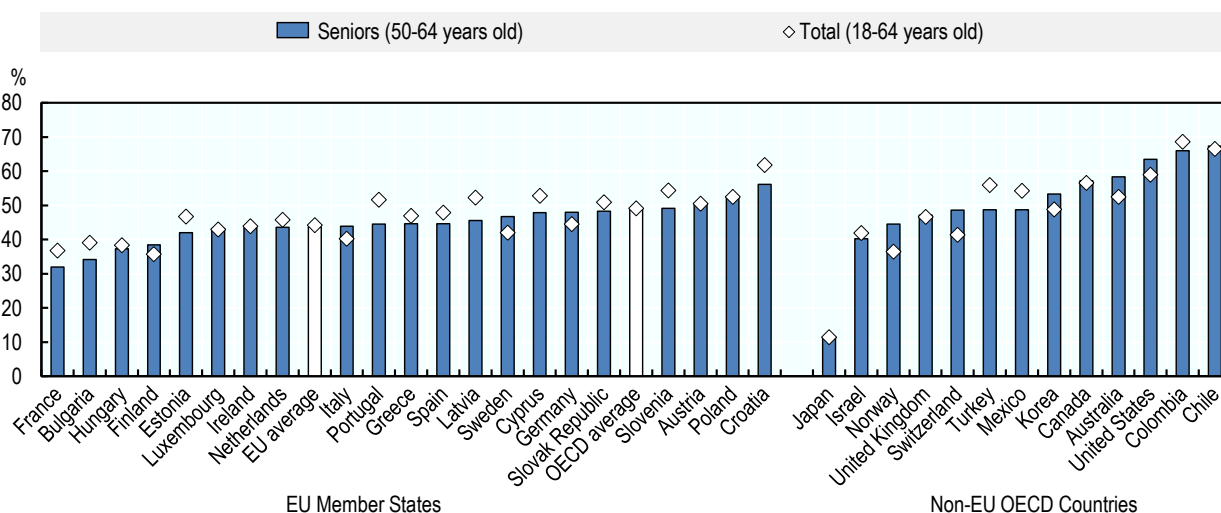
**Older people, on average, do not appear to be disadvantaged in business due to a lack of perceived entrepreneurship skills.** The real or perceived lack of entrepreneurship skills and knowledge can also be a strong barrier to business creation, but about 45% of seniors (50-64 years old) in the EU reported having the skills needed to start a business over the period 2016-20 (Figure 5.16). This was the same as the overall share of the population who reported having entrepreneurship skills. However, this proportion of seniors was about five percentage points below the share of seniors in OECD countries, which is consistent with the overall gap in entrepreneurship skills between EU and OECD countries.

**The share of seniors reporting that they had sufficient entrepreneurship skills to start a business did not vary substantially across EU Member States.** In the vast majority of countries, the proportion ranged from 42% to 49%. Outliers included France (32%), Bulgaria (34%), Hungary (37%) and Finland (39%), and Austria (50%), Poland (52%) and Croatia (56%). Differences across countries illustrate a number of factors, including differences in perceived skills but also differences in self-confidence, social attitudes towards entrepreneurship and more.

**Figure 5.16. Seniors in the EU are as likely as the overall average to report having the skills to start a business**

“Do you have the knowledge and skills to start a business?”

Percentage of population who responded “yes”, 2016-20



Note: All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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## Characteristics of senior entrepreneurship

### *Senior entrepreneurs are as likely to introduce new products and services...*

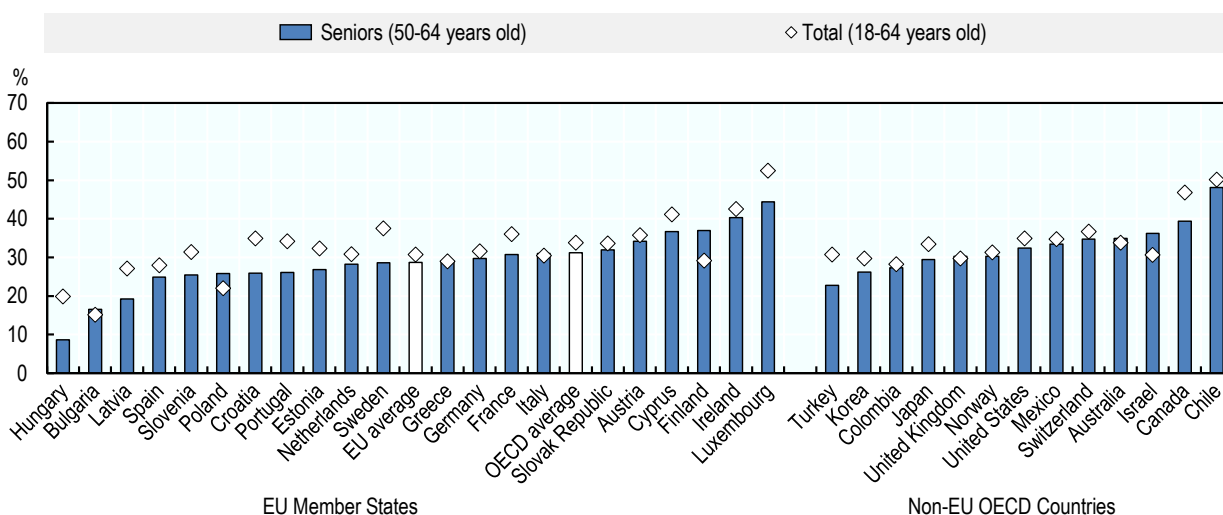
**Nearly one-third of senior entrepreneurs in the EU introduced new products or services in the past year, which was about the same share as the overall population.** A common method used by entrepreneurs to maintain and grow their market share is to introduce new products and services to attract customers. Across the EU, 29% of early-stage entrepreneurs (i.e. nascent entrepreneurs and new business owners) who were between 50 and 64 years old reported offering new products and/or services in the past year to potential customers in the period 2016-20 (Figure 5.17). This was slightly below the

overall share of early-stage entrepreneurs (18 to 64 years old) who reported offering new products and/or services (31%). The proportion of senior entrepreneurs offering new products and services in the EU was about the same as in OECD countries (31%) during this period.

**The share of senior entrepreneurs introducing new products and services over this period ranged from less than 10% to nearly half.** Less than one-fifth of early-stage senior entrepreneurs (50-64 years old) introduced a new product or service in Hungary (9%), Bulgaria (17%) and Latvia (19%) but more than four-fifths did in Ireland (40%) and Luxembourg (44%). In general, the share of early-stage senior entrepreneurs (50-64 years old) who introduced new products and services closely followed the overall proportion of early-stage entrepreneurs. The only exceptions were in Finland and Poland where they were more likely, and Croatia, Hungary, Latvia and Sweden where they were less likely.

**Figure 5.17. Nearly a third of early-stage senior entrepreneurs offered new products or services**

Proportion of early-stage entrepreneurs, 2016-20



Note: All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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### **...and as likely to have internationally-oriented businesses...**

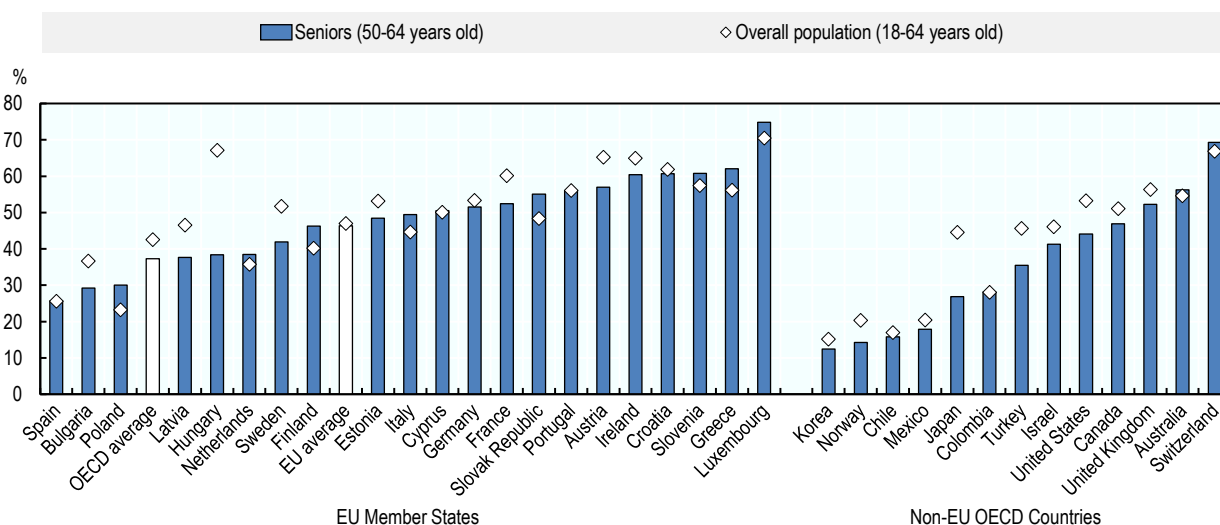
**Early-stage senior entrepreneurs in the EU were about as likely as the overall population of early-stage entrepreneurs to report having customers in other countries between 2016 and 2020.** Nearly half of early-stage senior entrepreneurs (50-64 years old) in the EU reported selling to customers in other countries (46%), which was the share proportion among all early-stage entrepreneurs (47%) (Figure 5.18). These proportions were slightly above the OECD averages for this period – 38% for seniors and 43% for all early-stage entrepreneurs – which is consistent with the EU operating as a single market. Barriers to

exporting are very low in the EU so the share of entrepreneurs exporting would be expected to be higher in the EU than in other regions of the world where there are no free trade agreements.

**More than 60% of early-stage senior entrepreneurs sold to foreign customers in five EU Member States.** The countries with the greatest proportion of early-stage senior entrepreneurs (50-64 years old) who exported during the period 2016-20 were Ireland, Croatia and Slovenia (61% each), as well as Greece (62%) and Luxembourg (75%) (Figure 5.18). Conversely, the EU Member States where early-stage senior entrepreneurs were least likely to report having customers in foreign countries were Spain (26%), Bulgaria (29%) and Poland (30%). In several Member States, the proportion of early-stage seniors was substantially greater than the share among all early-stage entrepreneurs – 7 percentage points (p.p.) in Poland and the Slovak Republic and 6 p.p. in Finland and Greece. Conversely, early-stage senior entrepreneurs were much less likely than the overall average to export in Hungary (29 p.p.) and Sweden (10 p.p.).

**Figure 5.18. Nearly half of early-stage senior entrepreneurs sold to foreign customers**

Proportion of early-stage entrepreneurs, 2016-20



Note: All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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### **...and as likely to expect high growth over the next three years**

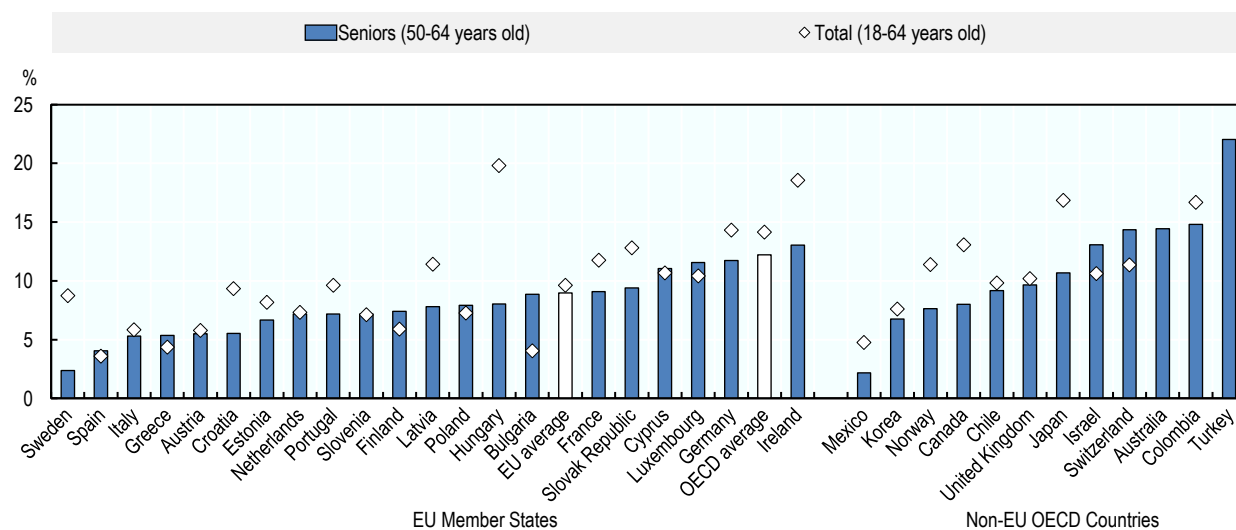
**Early-stage senior entrepreneurs in the EU were about as likely to expect to create at least 19 new jobs over the next three years as the overall population of early-stage entrepreneurs.** In the EU, 9% of early-stage entrepreneurs (50-64 years old) reported during the period 2016-20 that they expected this level of job creation relative to 10% of all early-stage entrepreneurs (Figure 5.19). This result is consistent with similarities in the proportions of early-stage entrepreneurs reporting that they are introducing new products and services, as well as exporting, i.e. growth-oriented business strategies. However, the

proportion of early-stage senior entrepreneurs expecting high-growth was slightly higher in OECD countries (12%) over this period.

**The share of early-stage senior entrepreneurs reporting a high-growth expectation generally typically ranged from 5% to 10% across EU Member States between 2016 and 2020.** The countries where the greatest share of early-stage seniors expecting high-growth were Ireland (13%), Germany (12%), Cyprus and Luxembourg (11% each). On the other hand, fewer than 5% of early-stage senior entrepreneurs expected this level of job creation in Sweden (2%) and Spain (4%). There was only one Member State where seniors were substantially more likely to expect a high level of employment creation – Bulgaria, where 9% of early-stage seniors had high-growth expectations relative to 4% of all early-stage entrepreneurs.

**Figure 5.19. Nearly 10% of early-stage senior entrepreneurs expected to create 19 or more jobs in the next five years**

Proportion of early-stage entrepreneurs, 2016-20



Note: All EU Member States participated in the GEM survey between 2016 and 2020 except for Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Furthermore, the following countries did not participate in the survey in every year over this period (years of participation are indicated): Austria (2016, 2018, 2020), Bulgaria (2016-18), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Latvia (2016-17, 2019-20) and Portugal (2016, 2019). Similarly, the following OECD countries did not participate in the GEM survey between 2016 and 2020: Belgium, Czech Republic, Denmark, Iceland, Lithuania and New Zealand. The following countries did not participate in the survey in every year (years of participation are indicated): Australia (2016-17, 2019), Austria (2016, 2018, 2020), Estonia (2016-17), Finland (2016), France (2016-18), Hungary (2016), Ireland (2016-19), Japan (2017-19), Latvia (2016-17, 2018-19), Mexico (2016-17, 2019), Norway (2019-20), Portugal (2016, 2019) and Turkey (2016, 2018).

Source: (Global Entrepreneurship Monitor (GEM), 2021<sup>[19]</sup>)

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## Conclusions

**Seniors are more active than the adult population in self-employment and self-employed seniors are an extremely diverse group.** They include people who have spent their entire career in self-employment, those transitioning into retirement by starting a part-time business and those who start a business from retirement to boost retirement income or to remain active. Accordingly, the challenges faced by this group are diverse. Some lack entrepreneurship skills, while others lack financial resources and many will have small or outdated business networks. Public policy can play a role in addressing these

barriers by offering entrepreneurship training, improving access to start-up financing and supporting the development of entrepreneurship networks.

**Entrepreneurship holds potential for providing a way for seniors to remain active beyond the typical retirement age for those who wish to do so.** Surveys suggest that many seniors wish to remain economically and socially active beyond 65 years old and there are many potential benefits to doing so, including improved physical and mental health, maintaining social connections, and creating economic value. Governments can do more to support people who wish to extend their careers through business creation, including the following actions:

- Create a positive awareness of entrepreneurship as a late-career option through promotional activities aimed at different stakeholder groups (e.g. business support organisations, financiers) to remove negative age bias as a potential barrier to senior entrepreneurship;
- Offer digital training and financial literacy training to potential senior entrepreneurs; and
- Ensure that enterprise support officials receive sensitivity training so that they can offer support to older people in an appropriate way (e.g. avoid jargon).

**In addition, there is also untapped potential to leverage the experience of older entrepreneurs in supporting younger entrepreneurs.** Encouraging experienced older individuals can support other business start-ups through mentoring, coaching and providing financial assistance. Their support is appreciated by (potential) entrepreneurs across all age groups, but especially by older entrepreneurs who require mentors at least of their own age who not only have the business experience but also empathy to the situation the older entrepreneur faces.

For more information and policy discussion on senior entrepreneurship activities, please refer to (OECD/EC, 2012<sub>[20]</sub>). Examples of recent policy action to support senior entrepreneurs are contained in the country profiles in Part III of this report.

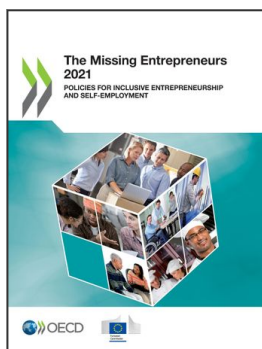
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