

Microfinance as a support to senior entrepreneurship?

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Foreword

by Jorge Ramirez – EMN

For this edition of the magazine, we have selected the topic of Senior Entrepreneurship in the framework of the activities carried out during 2012 as the European Year for Active Ageing and Solidarity between Generations. This initiative has served as a framework to raise awareness, identify and disseminate good practices, and encourage policymakers and stakeholders at all levels to promote active ageing and support greater intergenerational solidarity.

It is clear that the ageing of the European population will pose important challenges to our society. Partial solutions, such as the delay in minimum retirement age, implemented by many European countries during the last few years, need to be complemented with other measures like increasing active population rates for those 50+ and creating a favourable environment for this to happen.

Considering this, we pose different questions during the elaboration of this publication: Is the lack of finance a barrier to senior entrepreneurship? How can we define senior entrepreneurship? And particularly, can microfinance be a tool of support for senior entrepreneurship? We have also identified several projects in Europe attempting to facilitate a better future for senior entrepreneurs in Europe and which could be replicated elsewhere.

We want to give thanks to all the people who collaborated in the elaboration of this magazine. One of the main conclusions we have extracted from this exercise is that, overall, senior entrepreneurship is still a new and under-researched topic, and many MFIs are not yet aware of the opportunity to target this increasing segment of the population. We hope this magazine will put to you as many questions as it did for us.

Jorge Ramirez
General Manager EMN

A handwritten signature in black ink, enclosed within a circular scribble. The signature appears to read 'Jorge Ramirez'.



The Debate

➔ **Anne-Sophie Parent,**
General Secretary,
AGE Platform Europe

➔ **Marcella Corsi,**
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1

What does "senior" entrepreneurship particularly entail, when compared to other forms of youth, women, migrants... entrepreneurship?

➔ **ASP:** All groups face difficulties to remain in "regular" jobs. Among older people, you have subgroups of different ages and social protection: those who are still below the statutory pension age, but are made redundant because of age discrimination; and those above, who wish or need to continue to work but who can be dismissed by their employer, at any time. Also, an increasing number may have left for pensions and then realized that they don't have enough to live and can't find work. Women have even more difficulties to enter (or re-enter) employment because they often care for the elderly. Often they have no alternative but to leave their jobs before pension age, to care for relatives, and they later face problems to re-access employment. In addition, there is no compensation for the time they took off: their pension is thus reduced. The gender gap in pension is higher than the gap in employment, so you have higher risks of poverty in old age if you're a woman.

➔ **MC:** All vulnerable groups have something in common, which is a lack of interest at the institutional level, a lack of visibility in policy, a lack of confidence by the banking sector, and often a lack of attention by the media. Hence, they often have to adjust and work in a very independent way mostly drawing on solidarity between them: so women among women, migrants among migrants... The same applies to seniors. This is certainly a problem, because there should be a sort of intersectional approach. All these categories should be horizontal categories in the analysis, while very often it's the opposite: they're taken just as individual groups.

2

Why is senior entrepreneurship so important nowadays given the current European socio-economic context?

➔ **ASP:** The position of senior entrepreneurs is different in each country because it's linked to the level of social protection attached to the status. When you grow older, it becomes more challenging to move into self-entrepreneurship, unless you have adequate protection systems (i.e. full health care, equivalent to the one you'd have in a salaried employment). That means you have to take higher risk and, depending on the legislation, it is sometimes too high of a risk for a senior. E.g. if you draw pension and earn money at the same time, beyond a certain threshold you may lose some of your pension. For those not yet drawing pension, being self-employed means that you'll have to pay significantly for social protection without guarantee that you'll earn any money as self-employed. In some countries, seniors would become self-employed by default, while in others, they'd do so by choice because the social protection level is almost the same between salaried jobs and self-employment.

Senior entrepreneurship and microcredit are therefore one solution among others to bring back older workers to employment. But it's worth improving. There's much need and appetite among senior people, especially at the local level. And most banks are very reluctant to provide loans to them: they do not trust older workers as being able to do something, solely because of their age.

➔ **MC:** From an intersectional view (between older women, older migrants, etc.), senior entrepreneurship is becoming crucial. But not just to give them the possibility to find a job or remain economically active: rather, allow them to be actively included in our societies. Today, it's more and more common that people retire and, at some point, have to re-invent themselves, to get income, to keep active, etc. The progress in healthcare has allowed us to be active for a longer time. However, seniors may not only be cared for, but also be caretakers. The welfare cuts in European countries (brought on by the crisis) are making it urgent for seniors to become independent from the public healthcare system. So, all these factors together really make senior entrepreneurship a crucial issue. Entrepreneurship, or self-employment, means that you can be recognized as an active citizen, support yourself, and play different roles in society.

3

Such importance of senior entrepreneurship in theory is not met in practice yet. How to change mentalities and give more visibility to senior entrepreneurship in Europe?

➔ **ASP:** The countries where senior entrepreneurship is much more developed are the Northern countries because they have good social protection, and in UK because protection level is equal, and also other countries where there exists no other alternative (Greece, e.g.). And it's connected to the whole market labour legislation: if they want to develop self-entrepreneurship, labour laws and trade unions must be adapted. Then, the specific challenges faced by the disadvantaged groups mentioned earlier have to be addressed (discrimination in the regular banking systems, etc.).

➔ **MC:** What is really important is to change the mentality and address specific problems especially from a gender perspective. In many European countries, and certainly in Italy and Southern Europe, being a senior has always meant to be out of job, with a good pension, spending time in leisure, with friends,... or, especially for women, taking care of others. In Italy, senior women are one of the main pillars of the welfare system. So, to convince them to play a different role in society requires a change of mentality, partly forced by reforms in the pension system. Women pension benefits are much lower than those of men. So, there's an increasing need for senior women to re-invent their lives. But to allow them to do this, you must provide adequate welfare services. More social investments are necessary. Europe is taking the opposite direction when severely reducing welfare and pension benefits, especially for the elderly. An awareness campaign is not enough. Social investment is crucial.



Women have even more difficulties to enter (or re-enter) employment because they often care for the elderly. Often they have no alternative but to leave their jobs before pension age, to care for relatives, and they later face problems to re-access employment.



4

What are the positive and negative consequences for European countries of having more and more active seniors, especially senior entrepreneurs?

➔ **ASP:** Having active seniors in the labour market, at any status, is certainly going to be beneficial for all member states. Postponing retirement age and working past retirement are more and more promoted in EU countries. I wouldn't say that promoting self-entrepreneurship is necessarily the best option. It should go hand in hand with adequate social protection. Where the latter is equal between entrepreneurship and other employment, you move from one status to the other more easily, and take risk rather than wait because it's safer. To the contrary, where protection for entrepreneurs is lower, it'll remain an option by default. To create more mobility and enable workers to take risk, the quality of any sort of employment must be improved, making it easier for employers, employees and self-entrepreneurs alike. This means establishing both flexibility and security. It is costly, but it's an investment for the future, and a way to re-launch our labour markets.

➔ **MC:** The positive consequences are the possibility of giving them a better standard of living, more income support, a better position in society in terms of recognition of their role, the possibility for society to increase production with a value-added for the economy. In terms of negative consequences, there might be a risk of obliging people to necessarily be active and productive their whole life. After a certain age, you should substitute labour for leisure and be given the time to enjoy life more. If you have to work until you're 70 or 75, who knows what will be the consequences in terms of health. It's difficult to know this much ahead, but this might be a risk.



There is a sort of paradox between seniors and the regular banking sector: seniors' savings allow them to access credit and be less vulnerable. But, at the same time, they're riskier for banks because they're at risk of death.



5

Is giving older people better access to financial services going to help develop senior entrepreneurship? What would be the specific needs and expectations of senior entrepreneurs regarding microcredit services?

➔ **ASP:** Microfinance institutions (MFIs) fill a gap and respond to a need, targeting groups who have difficulties. MFIs can play a role. The fact that they not only provide money but also assistance is crucial because these groups are lost, and don't know how to get started. We'll probably need more and more microfinance intervention because of the crisis in Europe. Advocacy should be a dimension addressed by some umbrella MFIs.

Older people feel that, today, status in society is only when you have a paid job. They have a bad image of themselves and are increasingly interested in contributing to social entrepreneurship or to cultural projects, heritage, etc. Microfinance is something that helps you start and provides assistance, but it should link to the regular banking system, and make sure to support enterprises in the transition between being very limited and being well developed. Otherwise, you lock people in a system that won't help them at the end. Moreover, older people need to know exactly what kind of legal and financial implications taking a microcredit will have for them, especially if pre-retired or retired. Because, according to the legislation, it might have an impact on their social and financial benefits. MFIs need adapt to these peculiarities, and make sure that small businesses are not going to be sacked by new legislation. With seniors, MFIs have to address specific questions, provide clear answers and ease access to credit. There's a need for finance in many seniors, especially for women: some are retired but can't make ends meet. We will see more and more poverty among older people because of reduced pensions and sharp cuts in benefits in kind (free or heavily subsidized long-term care, transports, fuel checks...).

➔ **MC:** Financial exclusion is always a problem, but probably it's not the most relevant for seniors. It's not much the money that is missing; it's more the mentality, the motivation, and the coverage of the risk.

There is a sort of paradox between seniors and the regular banking sector: seniors' savings allow them to access credit and be less vulnerable. But, at the same time, they're riskier for banks because they're at risk of death. Banks hence often apply very high interest rates to cover such risk, or specific and costly insurance conditions. How to overcome all this? Certainly MFIs have the same problem as the banking system in the sense that it is not solidarity: MFIs must be sustainable. However, at the same time, MFIs are keener on adapting their credits to the clients. So, in that sense, they might support better senior entrepreneurs or the self-employed. Until now, very few microfinance products have addressed senior clients. This has yet to be explored. My opinion is that microfinance could play an important role in this direction.

6

What are the main recommendations you would make for a successful future for senior entrepreneurs in Europe?

➔ **ASP:** I would recommend that we help them believe more in themselves. We should also connect initiatives and bring older people to work in groups, and support them. Social protection systems must be improved, and safety nets secured, in order to reduce the barriers, risk, and disincentives still associated to entrepreneurship. We should also communicate better about existing alternatives, e.g. the possibility to take a loan with an MFI. There's a need to adapt to and address the specific challenges faced by older workers and retired people, with specific attention to women. Alternatives, such as microfinance, should be more closely tied, helping them to eventually access regular banks, because there's age discrimination in this area. In addition, labour laws should be adapted and coherence drawn between the labour market and regulatory systems. Older people want to make sure that by becoming entrepreneurs, they won't lose financial revenues (pension benefits), get indebted, etc. Finally, older people should be given more opportunities in general, because they're willing to remain active but they don't know how to get started.

➔ **MC:** I would recommend senior entrepreneurs to find a way not to work in isolation. It's important for them to establish networks and connect these with others who might be relevant to their activity, or their political advocacy. Second, to be motivated enough not to give up. We will be forced to be active for a longer time. This could be a sufficient motivation but not a necessary one. You need to be convinced that this is also good for you. The risk is different



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according to which seniors are taken into consideration. For women, the risk is related to the conciliation of work and family. Third, a major recommendation would be to identify active inclusion policies which avoid any kind of competition between different age groups. Solidarity is crucial. We need more social cohesion. As regards the financial sector, we also need to provide better and adapted insurance policies. Moreover, governments should endeavor to maintain social spending: since the resources are scarce, they should be targeted in a more efficient way, by better identifying the needs of all groups.



The European Year 2012 through the eyes of AGE Platform Europe and the EY2012 Coalition





Rachel Buchanan,
Policy Officer responsible
for non-discrimination
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AGE Platform Europe

Europe 2020 Strategy

Europe 2020¹ is the EU's growth strategy for the current decade. It succeeds the Lisbon Strategy (2000-2010) and its goal is to establish a social market economy that is "competitive, innovative, sustainable and inclusive". It seeks to promote EU (i) economic sustainability, so called "Smart Growth"; (ii) social sustainability, so called "Inclusive Growth", with emphasis on employment, participation, training, employability, poverty reduction and labour equality between men and women; and (iii) environmental sustainability, so called "Sustainable Growth".

The European Semester

The current crisis has revealed a clear need for stronger economic governance and coordination at the EU level. Hence, the European Commission (EC) proposed to create a comprehensive policy coordination process, the 'European Semester', approved in September 2010. It is actually an annual cycle of economic and fiscal policy coordination and represents Europe 2020's governance tool to deliver smart, sustainable and inclusive growth. Through this process, the EC evaluates whether and to what extent the commitments undertaken by Member States allow the EU to meet its targets for 2020. However, the Commission's and national governments' focus on economic and structural reforms, necessary to exit from the crisis, are putting at risk the social objective of Europe 2020 and, more generally, the social clauses as enshrined in the Treaty of Lisbon.

Therefore, AGE Platform involves its member organizations in the European Semester process in order to influence national and European policy priorities in relation to ageing. AGE Secretariat coordinates the preparation of a common contribution to the Annual Growth Survey², and encourages AGE members to influence national policymakers in the drafting of the National Reform Programmes (NRPs) and National Social Reports (NSRs). Based on the members' assessment, AGE prepares a joint analysis and

identifies points of common concern to be raised at the EU level in view of influencing the European Semester of the following year.

EU employment policies

Life expectancy in the EU continues to increase. Yet the effective retirement age is not following the same trend. A key target of the Europe Strategy³ is to reach 75% employment rate by 2020, an objective considered necessary to ensure the long-term sustainability of our social protection systems in light of the demographic ageing that Europe is experiencing.

The first annual review of Employment and Social Developments in Europe 2011⁴ (ESDE) published by the European Commission in February 2012 underlines that a mix of employment and social policies is necessary to ensure a long-term recovery of the EU economy and enough jobs for all in the current climate of fiscal consolidation and bleak economic outlook. Raising participation in employment, better social spending and fairer taxation of top incomes and wealth can contribute to mitigating inequalities.

The EU implements a wide range of initiatives to support longer working lives.

More and better jobs

The European Employment Strategy⁵ (EES) provides a set of measures that support and co-ordinate Member State's employment policies. The EES seeks to create more and better jobs throughout the EU and to help certain disadvantaged groups such as older workers and the long-term unemployed, remain in or return to the labour market.

In spring 2012, a new Employment Package⁶ was adopted. This set of measures focuses on the demand-side of job creation, setting out ways for Member States to encourage hiring by reducing taxes on labour or supporting more business start-ups.

1 http://ec.europa.eu/europe2020/index_en.htm

2 In January each year, the European Commission issues the Annual Growth Survey: a review of progress achieved and a forecast integrating fiscal, macroeconomic and thematic variables.

3 http://ec.europa.eu/europe2020/index_en.htm

4 European Commission (2012) *Employment and social developments in Europe 2011*, DG EMPL, http://ec.europa.eu/employment_social/esde/2011

5 <http://ec.europa.eu/social/main.jsp?catId=1018&langId=en>

6 http://ec.europa.eu/commission_2010-2014/andor/headlines/news/2012/04/20120418_en.htm

The Joint Employment Report⁷ (JER) reviews the employment situation in the EU and labour market related policies. It encourages Member States to apply Employment Guidelines; the main issues for older people include: labour market participation, job creation, gender equality, skilled workforce and lifelong learning, inclusive growth, and supporting older working people who care for others.

Promoting more positive approaches to older workers

Many employers face difficulties to find and retain the skilled workforce they need to remain competitive. Yet they are still often reluctant to hire older workers because ageist assumptions against older workers continue to prevail.

The EU Employment Directive⁸ that forbids discrimination on the ground of age, disability, race, religion and sexual orientation has brought significant progress in raising awareness of age discrimination. But legislation is obviously not enough and the EU also implements campaigns and social partners' projects.

To date insufficient attention has been paid to supporting informal older workers who care for others, who are largely women aged 50+, and AGE welcomes the current reflections going on at EU level. Large numbers of older workers are faced with family duties to provide care to elderly parents and young grandchildren, yet nothing is done to help them remain in the labour market.

The 2012 European Year at a glance

2012 was the European Year for Active Ageing and Solidarity between Generations (EY2012). It marked the 10th Anniversary of the United Nation's International Plan of Action on Ageing that was adopted in Madrid in April 2002.

The EY2012 served as a framework to raise awareness, identify and

disseminate good practices and encourage policymakers and stakeholders at all levels to promote active ageing and support greater intergenerational solidarity. Among other goals, the EY promoted active ageing in employment, as well as active citizenship, volunteering and caring.

This EY has been the result of the advocacy work of AGE Platform Europe and a growing number of stakeholders who share a common vision of a society for all ages, the so called EY2012 Coalition.

The EY2012 Coalition and its vision of an age-friendly European Union

The EY2012 Coalition is an informal group which is committed to working together to achieve a society where everyone is empowered to maintain their physical and mental capacity, play an active part in society and enjoy equal rights and opportunities in all stages of their life regardless of age, sex, race, social or economic status, among others.

The Coalition believes that empowering older people to age in good physical and mental health and contribute more actively to the labour market and to their communities should help our societies better cope with our demographic challenge in a way that is fair for all generations. Hence, the Coalition is calling for an age-friendly European Union by 2020. This is the goal of its joint Manifesto that was presented at the European Parliament in November 2011⁹. The document also includes a list of recommendations on how to reach this goal at EU, national and local levels.

AGE Platform key recommendation at EU level

In order to achieve an age-friendly EU by 2020, AGE and the EY2012

Coalition agreed on the need for an EU Covenant on Demographic Change¹⁰ as a legacy to the EY2012. Such a Covenant would provide the necessary and missing political framework that would bring together a wide range of local and regional authorities and relevant stakeholders to find smart and innovative solutions supporting active and healthy ageing and develop age-friendly environments.

The Covenant will link all relevant stakeholders working at local, regional and national levels on the promotion of age-friendly environments; create a European network of age-friendly local and regional authorities; build synergies between local initiatives and relevant EU policy processes; and facilitate the exchange of good practices, experiences and ideas.

Outcomes of the EY2012 and overview of the Coalition activities

Awareness raising activities

The EY2012 succeeded in raising awareness of the need for an age-friendly EU, identifying and disseminating good practices and encouraging policymakers and stakeholders to make commitments in this direction. AGE and the EY2012 Coalition actively contributed to make it possible.

AGE Platform Europe participated in approximately 200 seminars, events or meetings to promote the campaign, and the Coalition members organized events, published and disseminated position papers, publications and reported on different aspects of ageing and intergenerational solidarity. In some countries, like in France and Italy, AGE members managed to coordinate national coalitions and agreed on common recommendations to national policy makers.

Many best practices of the Coalition were promoted on the official website of the Year¹¹. And some were presented at the Year's closing conference in



December. Other initiatives were illustrated in the EY2012 Roadmap¹², a document that presents some concrete commitments to promote an age-friendly EU. The Commission also launched the EY2012 Awards¹³ to celebrate organizations and individuals that promote active ageing and solidarity between generations through their activities and more than 1100 applications were received.

Political commitments

The Year enabled us to mobilize more than 65 stakeholders that have joined the EY2012 Coalition. It also encouraged a growing number of local and regional stakeholders to promote an age-friendly EU and to join our campaign. AGE closely collaborated with European networks. It also encouraged policymakers to support the creation of an age-friendly EU.

The idea of the EU Covenant was picked up in the Committee of the Regions' opinion on "Active Ageing: Innovation – Smart Health – Better Lives"¹⁴, which was unanimously adopted on May 4th, 2012. It called on the Commission to launch the EU Covenant as a legacy to the European Year 2012. It also recommended EU funds should be allocated for the adequate development of an EU network and recommended that the Commission should pledge research into providing for the growing numbers of older people a priority.

On June 4th, 2012, the European Commission organized a conference on "Good Governance for Active and Healthy Ageing" to look at how different levels of government can cooperate in designing effective and comprehensive strategies for active and healthy ageing. It gathered about 150 participants and stakeholders. The conference thus aimed to prepare the ground for the development of integrated strategies for active and healthy ageing to be adopted in the wake of the EY2012.

On November 20th, 2012, AGE co-organised with the Committee of the Regions a thematic seminar on "Creating an Age-friendly European Year by 2020" in order to reflect on how to make this Covenant possible.

What next?

Now that the European Year has officially come to an end, the joint work by the EY2012 Coalition, coordinated by AGE, will be continued through the European Innovation Partnership on Active and Healthy Ageing (EIP AHA). The EIP AHA was released in October 2010 as part of the flagship initiative "Innovation Union"¹⁵. It aims at enabling citizens to live longer independently in good health by increasing the average number of healthy life years by two by 2020. As suggested by AGE, the EIP AHA includes the promotion of age-friendly environments as one of its 6 priority actions.

AGE committed to setting up and moderating an EU virtual forum on Age-Friendly Environments (AFE) to link stakeholders (public authorities, NGOs, service providers, industry, researchers) interested in the promotion of AFE at local, regional, national and EU levels. This was launched last June and more than 150 stakeholders have already joined the network. In addition, with some of the EY2012 Coalition members and other relevant stakeholders, AGE committed to continuing the campaign to convince the EC to launch the EU Covenant on Demographic Change.

"We are very satisfied with the large mobilization around the European Year 2012 (EY2012)¹⁶", declared Anne-Sophie Parent, AGE Secretary-General, at the closing conference of the EY2012. "The EY2012 has clearly highlighted the need to rethink our economic and social policy framework in order to meet the needs of the growing number of older people while enhancing solidarity between generations. We hope that the numerous actions and commitments made during the Year will lay the first milestone towards a European society for all ages."

The EY2012 campaign material is available on AGE website:
<http://www.age-platform.eu/en/age-publications-and-other-resources/age-publications>



7 European Commission, MEMO/12/914, Joint Employment Report Q&A, Belgium, 28 November 2012, 4p.

8 EU Council Directive 2000/78/EC of 27 November 2000: general framework for equal treatment in employment and occupation, Official Journal L 303 , 02/12/2000 P. 0016 - 0022

9 http://www.age-platform.eu/images/stories/23598_poster_everyone2012_v4.pdf

10 See press release, September 7, 2012: http://www.age-platform.eu/images/stories/media/PR_07Dec12_EY2012_ClosingConference.pdf

11 <http://europa.eu/ey2012/>

12 Downloadable from the AGE Platform website: <http://www.age-platform.eu/en/age-policy-work/solidarity-between-generations/lastest-news/1423-ey2012-roadmap-towards-the-european-year-2012>

13 <http://europa.eu/ey2012/ey2012main.jsp?catId=1026&langId=en>

14 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2012:225:0046:0051:EN:PDF>

15 For information on the European Innovation Partnership, contact Julia Wadoux, AGE Policy Officer responsible for health, new technologies and accessibility: julia.wadoux@age-platform.eu

16 For information on the EY2012 Coalition and AGE campaigns, contact Alice Sinigaglia, Logistic and Campaign Officer: alice.sinigaglia@age-platform.eu

Finance as a barrier to senior entrepreneurship?





David Halabisky, Economist,
Centre for Entrepreneurship,
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Active ageing in the European Union

The population in the European Union is getting older. One-quarter of the population was over the age of 55 in 1990 but this figure had climbed to 30% by 2010. This increase is expected to continue and Eurostat estimates that those over 55 will account for 37% of the population by 2030¹⁷.

This demographic shift is occurring because of a long-term decline in fertility rates, which means that each generation is smaller than the previous. As a result of this demographic phenomenon, the labour force is also ageing. The proportion of the labour force between the ages of 55 and 69 increased more than 25% over the last 25 years and this increase is expected to continue in the future.

The ageing of the population will have several impacts. First, public social security systems, including public pensions and healthcare systems, will likely come under increased pressure as older people are likely to draw more heavily on them (and contribute less) as they retire. Second, the pattern of ageing is not constant across the EU and the retirement of the "baby boomer generation" may result in labour shortages in local labour markets in the short-run as the skills and experience needed to replace those retiring may not be available in younger workers. Third, many older entrepreneurs will look to sell their business to fund their retirement but there may not be enough younger people to acquire all of the businesses owned by seniors. This could have significant consequences for not only those looking to fund their retirement, but also for the employees of these companies who will lose their job if there is nobody to take it over.

Entrepreneurship among older people

Older people are now healthier and living longer than previous generations. While some people look

forward to retirement, many people wish to remain economically active, even if on a part-time basis. The Flash Eurobarometer 378¹⁸ indicates that more than one-third of adults want to continue working after they are eligible for a pension. Some may want to earn income to maintain their lifestyle or to compensate for low levels of savings. However, there are also non-financial reasons for remaining economically active, including increased happiness and improved quality of life¹⁹.

Entrepreneurship could be one way of remaining economically active for seniors. It is attractive because it can provide seniors with flexibility in hours worked and a transition into retirement. Senior entrepreneurs can also play an important role in the economy by offsetting expected labour and skill shortages in certain regions and by transferring skills and knowledge to younger generations.

How active are seniors in entrepreneurship?

The OECD defines an entrepreneur as those persons who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets²⁰. Measuring entrepreneurship and counting entrepreneurs, however, is not an easy task.

The Global Entrepreneurship Monitor is an international research initiative that uses a household survey to count the proportion of adults who own businesses or who are active in the process of starting a business. **Figure 1** illustrates the proportion of the adult population (ages 18 to 64) who are actively involved in setting up a business they will own or co-own. This business has not paid salaries, wages or any other payments to the owners for more than three months. It is clear from these results that older people are much less active than younger people at starting a business. Approximately 2% of people aged 50 to 64 are active in creating a business, which is less than half of the rate of those aged 18 to 30²¹.

¹⁷ Eurostat (2012) Labour Force Survey, http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_ifs/data/database

¹⁸ European Commission (2012), Active Ageing, Special Eurobarometer No. 378, 22 p.

¹⁹ Jayo, B., A. González and C. Conzett (2010) Overview of the Microcredit Sector in the European Union, European Microfinance Network, EMN Working Paper No. 6, June 2010, 112 p.

²⁰ OECD (2012) Entrepreneurship at a Glance, OECD, Paris, 136 p.

²¹ Global Entrepreneurship Monitor (2012) May (unpublished)

Although seniors do not appear to be active in starting businesses, a significant number of them are business owners. More than one-fifth of people aged 55 to 64 who were active in the labour market were self-employed (see Figure 2). These are people who work in their own business and receive an economic return for their labour in the form of wages, profits, in-kind benefits or family gain (for family workers). This excludes volunteer workers and business owners not involved in the day-to-day operations of their business. This is a much higher rate than for other age groups, but the number of older people active in the labour market is very low. The self-employment rate among older people has declined over the last decade, which could suggest that the effects of the ageing of the population have already begun to appear among the self-employed.

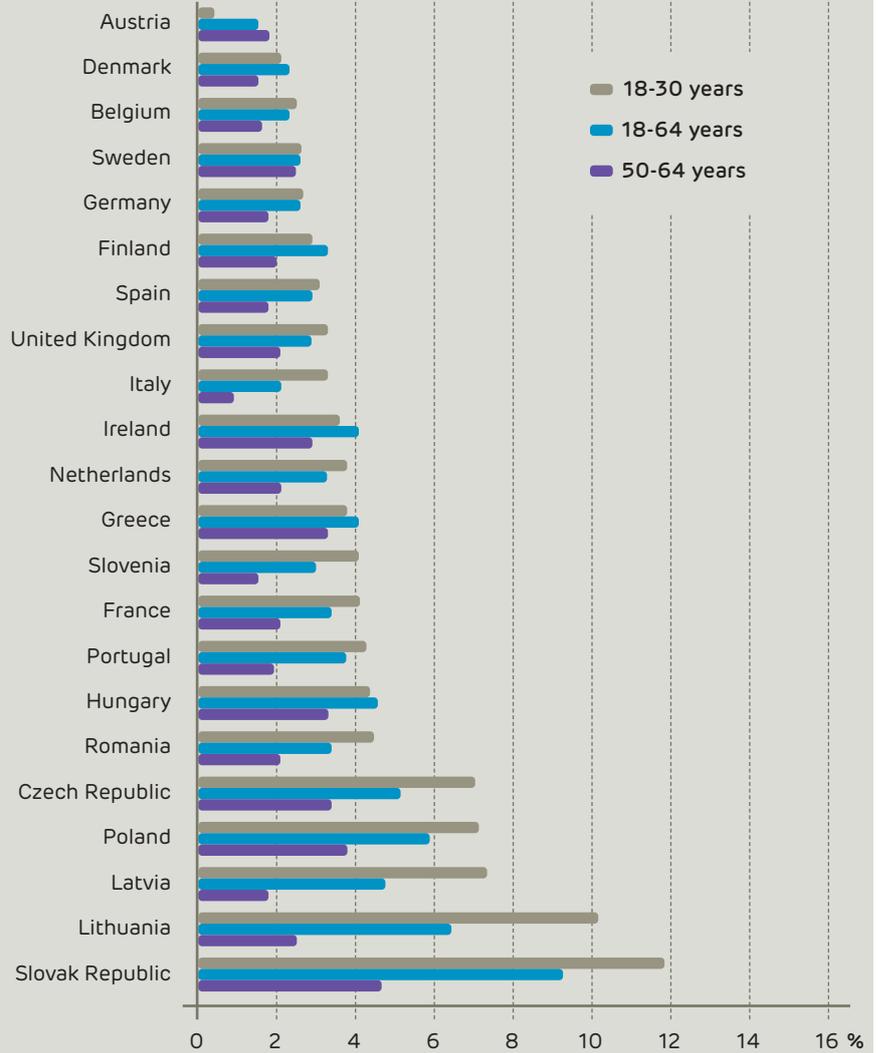
Is finance a barrier to entrepreneurship for seniors?

Like all entrepreneurs, seniors face a wide range of challenges when starting a business. Institutional factors (i.e. laws, regulations and social norms) could act as barriers and entrepreneurs will need to overcome a lack of entrepreneurship skills and social capital. Seniors also face a number of barriers that are age-specific. For example, seniors who have spent a career in paid employment may not be aware of the opportunities and benefits of entrepreneurship. Seniors may also have health issues that prevent them from starting a business despite a desire to do so.

Access to finance is one of the most frequently identified barriers to business start-up. Some older age groups may be in a very strong financial position because they have been able to accumulate significant savings over their working career – their children have left the household and the mortgage is paid off. However, seniors are a very heterogeneous group and many are not in this situation. Some seniors, such as those

Figure 1

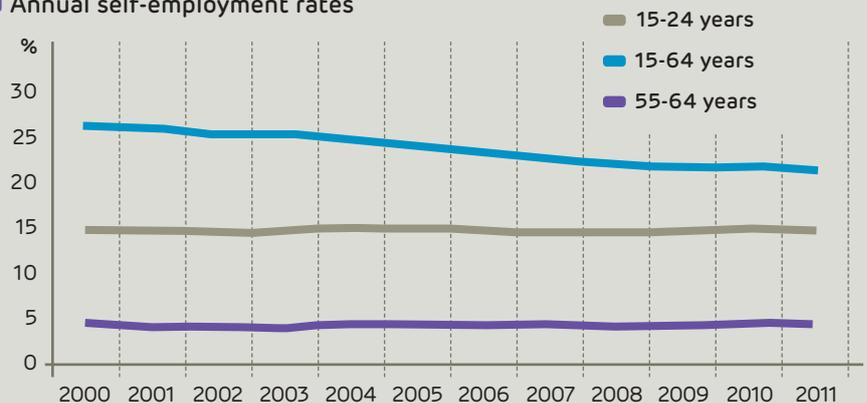
→ Nascent entrepreneurship rates for adults (ages 18-64), 2007-2011 (pooled)



Source: Special tabulations of the 2007-2011 adult population surveys from Global Entrepreneurship Monitor (GEM)

Figure 2

→ Annual self-employment rates



Source: Eurostat, Labour Force Survey 2012

with low levels of savings or those who are long-term unemployed may face significant challenges accessing finance for business start-up because they lack sufficient collateral²².

Figure 3 illustrates the proportion of people in the EU that find finance to be a barrier to business start-up. Those over the age of 55 clearly indicate that finance is a barrier to starting a business – 36% strongly agree with this statement and another 45% agree. However, the figure also indicates that this barrier is not particular to seniors. All age groups felt that access to finance was an impediment to business start-up.

While finance appears to be a barrier for all entrepreneurs, the picture is likely more complex for different groups of entrepreneurs. Many seniors may want to start a business in a different sector from their previous working experience, which can make it difficult to sell their idea to funders. Another issue for senior entrepreneurs is that they may not be willing to discount the time and effort that is required to launch a new business. There may therefore be less scope to trade off large investments that may be required to start a new business against future income.

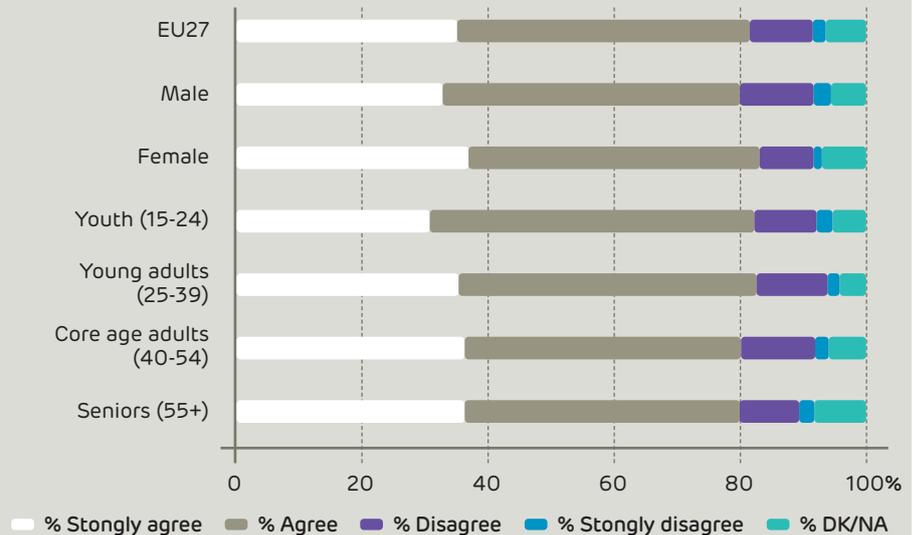
How can policy support access to finance?

Entrepreneurship among older people has many benefits. Although evidence suggests that access to finance may be less of a barrier to business start-up for some older people than for youth or younger adults, certain groups of older entrepreneurs have great difficulty accessing finance (e.g. unemployed older people). Therefore policy has a role in facilitating access to finance for seniors. Policy makers should ensure that start-up financing schemes do not discriminate against older entrepreneurs and should educate seniors on financial issues to improve their financial literacy. In doing so, it is important to increase their awareness of options for start-up financing, including micro-finance and emerging financial markets such as peer-lending and crowdsourcing.

Figure 3

→ **Finance as a barrier to starting a business (2009)**

"It is difficult to start one's own business due to a lack of available financial support"



Source: Flash Eurobarometer 283, 2009



22 European Commission (2009), Flash Eurobarometer 283, Entrepreneurship in the EU and beyond. http://ec.europa.eu/public_opinion/flash/fl_283_en.pdf, 201 p.

Who are older entrepreneurs?





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European demographic Trends

Europeans are living longer, healthier lives and the average EU citizen is now living almost ten years longer than in 1960²³. This dramatic shift in the population age structure is part of a global trend which has seen a dramatic growth in the proportion of older people, particularly in the developed economies of Europe.

The increase in life expectancy, together with the reduction in the size of the working population has meant that demographic ageing has become one of the key issues facing European policymakers. Successive European Councils have recognized the need to tackle the impact of ageing populations to ensure that sufficient numbers of workers are available to fund pension and healthcare systems to the future. More specifically, governments have sought to extend the working life through a range of policy changes. These include increases in the statutory and effective retirement ages, improvement in the working conditions of older workers and improved access to training and skill development²⁴.

During the '90s, employment rates for older people were falling, as early retirement schemes and pension schemes provided incentives for increasingly early departure from the workplace. In 2001, the European Council declared its intention to increase the employment rate among those in the 55-64 age group to 50% by 2010 (from 37% in 2000). Some progress was made to reverse this trend in the decade to 2010 and the share of the working age population in the EU-27 increased by 0.3 percentage points, while the share of the older population increased by 3.7 percentage points. The number of people of working age reached a peak in 2010 and has now started to decline, while the number of those aged 65 and over is predicted to increase by 20% by 2020²⁵.

Benefits of a longer working life

Older people have a strong preference for later and more gradual retirement. The 2012 Eurobarometer report²⁶ found that six out of ten respondents think people should be able to continue working past the official retirement age if they want to. Only a third believes that they should have to stop working.

But why do older people want to remain in employment? Working longer is often associated with some physical benefits and psychical benefits²⁷. Alternatively, for some older people, the desire to remain in the workplace is motivated by a need to maintain a standard of living gained through their working life²⁸. For others, the need to increase their income or to compensate for poor returns from an occupational or private pension may be the motivating factor. Evidence shows that the potential for continued or increased earnings is particularly important for older people with lower levels of savings²⁹.

Late Life Entrepreneurs

While seniors' participation in the labour force has increased over the past decades, the level of self-employment is still low. Older self-employed people are also less likely to have employees; two-thirds of self-employment and 80 % of self-employed women have no employees³⁰.

A British report published by the National Endowment for Science, Technology and the Arts (NESTA), found that entrepreneurs aged 50-65 years, created 27 % of successful companies between 2001-2005. Over this period, older people were responsible for creating 93 500 companies and employing almost 400 000 people. The report also found, contrary to the common perception of older people as being more risk-averse, many of the respondents are just as happy to take risks as younger people. Many reported being less concerned

²³ Eurofound (2012) Living longer, working better –Europe's coming of age

²⁴ European Commission (2010), *European Employment Observatory Review: Self-employment in Europe 2010*, <http://ec.europa.eu/social/BlobServlet?docId=6137&langId=en>

²⁵ Eurofound (2012) *Employment trends and policies for older workers in the recession*. <http://www.eurofound.europa.eu/pubdocs/2012/35/en/1/EF1235EN.pdf>

²⁶ TNS Opinion & Social (2012), *Standard EU Barometer, Public Opinion in the EU*, European Commission http://ec.europa.eu/public_opinion/index_en.htm

²⁷ Richardson V. and Kilty K.M. (1991) "Adjustment to retirement; Continuity vs. Discontinuity", *International Journal of Ageing and Human Development*, 21: 291-315

²⁸ Walker, E.A. and B.J. Webster (2007), "Gender, age and self-employment: some things change, some stay the same", *Women in Management Review*, 22(2), 122-135.

²⁹ Jayo B., González A. and Czetz C. (2010) *Overview of the Microcredit Sector in the European Union 2008-2009*, EMN Working Paper n. 6, July

³⁰ OECD/European Union, (2012) *Entrepreneurial Activities in Europe- Policy Brief on Senior Entrepreneurship*.

about their homes being repossessed as they have alternative forms of income from pensions, second jobs, directorships, property or investments³¹.

The Eurobarometer 283 on Entrepreneurship³² found that 16% of older respondents were either considering entrepreneurship as a late career alternative or were already engaged in entrepreneurial activities. However, this proportion is considerably lower than prime age workers, at 37 %.

A Finnish study compared rates of entrepreneurship amongst those in Prime Age (20-49) and Third Age (50+). Their findings supported earlier findings from the UK by showing that entrepreneurial activity rates in among older people are significantly lower than in the Prime Age cohort. However, with 16% of fledgling Finnish businesses started by people aged 50+, it is clear that older entrepreneurship is still a significant phenomenon³³.

Becoming self-employed

Self-employment offers many potential benefits for individuals and the economy in general. In seeking to promote entrepreneurial activity, it is useful to consider the reasons why older people may wish to become self-

employed. As people age, opportunities for career enhancement and mobility tend to reduce and older workers may choose self-employment to provide more flexibility and control over their time³⁴. Many authors have suggested that the decision to become self-employed may be linked to 'push' and 'pull' factors - the positive benefits of being an entrepreneur and the negative aspects of work in later life such as poorer job prospects or lack of flexibility in the wage and salary sector. Precisely, being made redundant or being unsatisfied with current employment can lead to higher levels of risk-taking amongst older workers³⁵ and increase the likelihood of starting a business. Unskilled and lower-skilled people, particularly men over 50, are more likely to turn to self-employment when they cannot obtain paid employment in the workforce³⁶. In addition, sex, age, education, and marital status are strong indicators of the likelihood of choosing self-employment: those with higher levels of education, a disability, men, older workers, and those who are married are all more likely to become self-employed³⁷.

Evidence also shows that older entrepreneurs are more successful than other small-business owners. The survival rates of businesses established by older entrepreneurs are higher than those of younger entrepreneurs perhaps because older

entrepreneurs have built up financial, human and social resources over a lifetime of work³⁸. A report published by Barclays Bank in the UK found that companies started by older people had a 70% chance of surviving the crucial first 5 years compared with 28% for companies started by younger people³⁹.

Barriers faced by Older Entrepreneurs

While the benefits of promoting increased levels of self-employment among older people are clear, it is important to consider the disadvantages or potential barriers faced by older entrepreneurs. A Norwegian study of entrepreneurs found that although entrepreneurial competencies increase with age, the intention to start a business tends to decrease⁴⁰. While older people frequently have the necessary skills and attributes to be successful in business, many are failing to convert these skills into entrepreneurial activity. This would suggest a need for greater analysis of the potential barriers and obstacles that prevent older people from becoming entrepreneurs. Research shows that these barriers can range from personal issues such as health or caring responsibilities, perceived age discrimination and lack of access to networks or finance. Older



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³¹ Botham R. & Graves A. (2009) *The grey economy: How third age entrepreneurs are contributing to growth*, London: NESTA, August

³² European Commission (2009), *Entrepreneurship in the EU and beyond: A survey in the EU, EFTA countries, Croatia, Turkey, the US, Japan, South Korea and China*, Analytical Report, Flash Eurobarometer No. 283

³³ Kautonen T. (2008) "Understanding the older entrepreneur: Comparing Third Age and Prime Age entrepreneurs in Finland", *International Journal of Business Science and Applied Management*, 3 (3), 3-13

³⁴ Curran J. and R. Blackburn (2001) "Older People and the Enterprise Society: Age and Self-Employment Propensities", *Work, Employment and Society*, 15 (4), 889-902.



The 2012 Eurobarometer report found that six out of ten respondents think people should be able to continue working past the official retirement age if they want to.



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entrepreneurs who are returning to the employment market from retirement may find it difficult to rebuild the networks that they had during their career, particularly when they operate small home-based businesses⁴¹.

Adequate capital to support the development and growth of a new business is central to the success of entrepreneurial activity at any age and failure to access finance can be one of the main obstacles to their growth and/or their survival⁴². While access to finance can be a challenge for all entrepreneurs, it seems that this is likely to be less of an issue for older entrepreneurs than for younger ones. However, a recent survey revealed that more than 10% of older entrepreneurs identified access to finance as a barrier to self-employment⁴³.

Research carried out in the UK found that attitudes towards ageing and ageism could be an important barrier for older entrepreneurs. While most respondents did not feel that their age prevented them from carrying out the role of entrepreneur, many felt that they were perceived by others as too old to start a business: social norms impact the likelihood of an older person becoming an entrepreneur. If an older person perceives entrepreneurial activity as socially acceptable, this perception is likely to have a positive influence on his/her decision to start a business. No link was found between objective measures of entrepreneurship (e.g. the number of entrepreneurs/small

firms in existence) and the likelihood of starting a business. This suggests that even countries with a low level of entrepreneurial activity would have the potential to increase the level of entrepreneurial intention by increasing the perception of the appropriateness and attractiveness of business ownership⁴⁴.

The implication of this finding is that governments wishing to increase self-employment later in life should aim to increase awareness of senior entrepreneurship as a viable, positive and attractive late-career option. Promoting senior entrepreneurship should ideally be one of a number of policy approaches used to increase the participation of older people in the labour market. The approach taken should include a range of policy measures to support new business development.

Older entrepreneurs have identified a number of supports that would be helpful such as the development of peer support networks, improved training/education opportunities, the development of start-up centres for older people and the development of innovative R&D projects targeted at older entrepreneurs⁴⁵.

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Seniors and entrepreneurship in France





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The 'Agence pour la création d'entreprises' (APCE) is a non-profit organization created in 1996, supporting enterprises' creation, transfer and development. The APCE divulgates information on internet (www.apce.com), provides technical assistance to workers and businesses, carries some researches and draw statistics, and studies the needs and expectations in terms of entrepreneurial support, among others.

The state of business creation by seniors in France

In France, today, people aged 50+ account for 20% of all new managers of businesses, and 7% are aged 60+. In 2011, it is estimated that 110 000 enterprises were created by seniors, among which 35.000 by the 60+ group. During the last years, the number of senior entrepreneurs (starting a business) has dramatically risen in France. Over the course of three years, it has more than doubled. The number of business' creation has tripled over the course of the last ten years. This is partly the result of recent French measures favorable to entrepreneurship and businesses' take over, both at national and local levels. This is also due to the evolution of mentalities towards entrepreneurship, including among seniors. Helped by the current context highly in favour of entrepreneurship and pension reforms, French seniors are indeed increasingly in favour of business creation measures for their late career or retirement (49 %) and 17% actually consider setting up their own enterprise.

What incentivizes them to do so? The major incentives (according to seniors) to business creation as a late career or retirement option are financial: to complement their revenues or maximize them. In addition, the desire to remain active also acts as an incentive.

In terms of business creation, France doesn't correspond to the cliché of senior entrepreneurs being unemployed: indeed, only 24% of senior entrepreneurs were unemployed. Profiles are however very diverse: 19% of seniors were already business managers (salaried or self-employed); 26% were employed in the private or public sectors; and 22% were retired.

For seniors (both employed and self-employed), as for younger starters, the act of setting up a business is not spontaneous. It needs to be triggered by some element: a career change, an unrewarding professional situation or

instability at work. These factors incentivize seniors to engage and actually take the step towards the concretization of an idea that they've sometimes considered doing for several years. Note however that these triggering factors do not play in all cases; in several other occasions – or topping the aforementioned factors – psychological motivations are at play, such as the will to setting up, the will to remain active or the recognition from relatives and circles. In sum, the professional situation is the main trigger for a setting-up a business but not necessarily the only condition.

This stage in a senior's life – just before retiring, and when just retired – is often perceived, by a majority of 50+ people, as the perfect time to set up a business:

- Because family constraints and relatives' obligations are on decreasing;
- Because financial commitments drop, as credit terms have expired and seniors become full proprietors of their home; and,
- Thanks to a sense of professional maturity, of experience capitalization and consolidation, bringing about a feeling of better performance and increased credibility in front of clients.

Which support measures targeting senior entrepreneurs?

In France, few instruments and measures helping and supporting national enterprise creation are specifically targeting senior segments of population. The latter often benefit from regular measures, which any entrepreneur could claim: support at the start of the project, financial help ('prêts d'honneur', reimbursable advances and microcredits) and fiscal and social taxes exemption. Among the major and most common packages are:

- **A global support, the package "Nacre"** (New Accompaniment for the Setting-up and Take-over of Enterprises). It consists of a set of



During the last years, the number of senior entrepreneurs (starting a business) has dramatically risen in France. Over the course of three years, it has more than doubled.



measures targeting the unemployed and social minima beneficiaries, providing them an accompaniment process in three steps :

- help for the start-up phase;
- financial support through a 0%-interest loan; and,
- follow-up of the project and business during the three first years.

- ➔ **Two financial support measures from the "Pôle Emploi"** (public organization supporting the unemployed and managing the benefits that they can claim). These are non-cumulative, and are available only to those unemployed people who start up or take over a business:
 - partial maintenance of unemployment benefits after the creation or take-over of the business. These benefits will be reviewed according to the pay slips and revenues generated from the business.
 - financial support in the form of starting capital, the amount being equivalent to 45% of the remaining balance of the unemployment benefits ("ARCE" system – support to the takeover of setting-up of enterprises)
- ➔ A social support, the "ACCRE" (help to the unemployed creating or taking over an enterprise) in the form of an exemption of social taxes, for a period of time ranging from one to three years depending on the cases.

- ➔ The "PCE" (loan for business creation) delivered by an institution linked to the State (public group-investment bank) to start-up businesses and to businesses aged less than three years. It is mandatory that it be joined to a bank loan, and it's often further associated by a warranty.

- ➔ The "Régime d'auto-entrepreneur" (Self-employed regime), set up on January 1, 2009 allowing the creation of a small independent activity requiring few investments and entailing no particular risks.

This Régime particularly applies to seniors who wish to complement their income: salaried, retired, unemployed, etc. It consists of reduced administrative formalities, a simplified social protection system, minimal accounting procedures, and an optional simplified fiscal regime.

When opting for this Régime, seniors are ensured to start their business having full knowledge on all charges (social and fiscal) assigned to the business.

However, two specific packages target senior starter entrepreneurs and facilitate the start-up phase:

- ➔ The first measure consists in the **partial maintenance of unemployment benefits** for the unemployed who start up a business or take over an existing one. More favorable application procedures are foreseen for seniors:

- the package is not time constrained, contrary to other categories of unemployed people who are entitled to claim benefits for only 15 months maximum; and,
- they benefit from an advantageous calculation method for the partial maintenance of their benefits.

- ➔ The second measure targets **retired people: the combination of "employment-retirement"**. Since January 1, 2009, retired people can indeed develop, under specific conditions, an activity in the field of business creation without any fear of a potential decrease or suppression of pension benefits.



Limits and potential resources facilitating access to finance for seniors?

As in other European countries, career reorientation and disruptions speed up and amplify around the age of 50. At that age, the concern of business creation often arises. Project funding is a recurrent issue. However, finance falls back to the quality of the project, in close relationship with the age and financial resources of the entrepreneur.

The APCE has proposed to the State, as soon as 2010, several actions to untie financial constraints for senior entrepreneurs:

- raise guarantees for all seniors;
- limit insurance companies' refusals (and subsequent bank loans refusals) made on the grounds of age and health risk (risk of death), by improving the coverage of current health risk; and,
- exonerate senior entrepreneurs from social contributions.

"Senior Plans" in enterprises, training, employment-retirement combination and setting-up: guarantees of success in projects for senior entrepreneurs

Indeed, for the past two years in France, Senior Plans have been implemented, allowing people aged 50+ to prepare for a second part of their career and potentially launch themselves into the setting-up of a business. Germans, by comparison, pay more attention to skills retention in the workplace and knowledge about developing seniors' technical know-how. In France, Senior Plans (mostly for businesses of more than 50 employees) facilitate the reversal of these historical lags, allowing among other things:

- career and competences' reviews;
- experience gains enhancement;
- training allowing the conversion



Project funding is a recurrent issue. However, finance falls back to the quality of the project, in close relationship with the age and financial resources of the entrepreneur.



- towards new career paths;
- the possibility to claim the right to long-term training enabling job change; and,
- the possibility to create an activity in parallel to one's job.

It is important to mention that these facilities to access training are even more important for the vast majority of employees who haven't had the chance to access long-term and in-depth training before, as opposition to the middle managers and executives who receive this opportunity. For average senior employees, to "eventually" be offered the possibility to launch an activity opens up a new path for their future, regardless of their status and competences.

"Test" periods and spaces, guarantees of the project's quality, coherence and potential finance

Today, several "test" packages allow seniors to prepare their project and maximize their chance to find adequate funding. It is even more crucial for the projects that are undertaken by people who aren't particularly wealthy, because these projects have to be better structured in order to attract funders.

Therefore, to avoid facing funding refusals after a somewhat unstable

creation process, specific measures allow senior entrepreneurs to test and more deeply develop their project, as in the case of a pilot phase for an invention.

- For the unemployed, measures are:
 - a "job test on the field" allowing the unemployed to test their interest in new career paths and activities; and,
 - setting-up a project evaluation.
- "Test" spaces such as cooperatives and businesses incubators, allowing entrepreneurs to test their idea and to launch it simultaneously from accompanying measures (as much in services as in agriculture or in other fields).

Besides financial support and guarantees that were progressively adapted to the business creation conditions for seniors, these periods of time dedicated to technical assistance and training, as well as to business knowledge, to the idea's preparation and development and to pilot-tests, are key factors playing a role for senior entrepreneurs in their search for financial resources necessary for the creation of the entrepreneurial project, and in the success of their start-up business.

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START 50+: a project by the Belgian non-profit organization NEOS





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The conception that older people aren't qualified to start their own business is widespread in Belgium. NEOS wants to challenge this consensus. We believe that older entrepreneurs possess the crucial skills to set up their own enterprise. They have experience and know-how, the financial resources and they stand with both feet on the ground. Still we can see that they are considerably underrepresented among starting entrepreneurs. With the project "START 50+", NEOS wants to change this situation. By collaborating with Unizo (Belgian Union of SME's) and career coaches of Zenitor (Belgian career coaching for the self-employed), we want to motivate potential older entrepreneurs to discover their possibilities as an entrepreneur. Senior starters do have their doubts and difficulties when establishing their own firm. One considerable problem is their difficulty to access the regular banking system.

NEOS is a non-profit organization that wants to promote active ageing with and by seniors. A lot of older people fall in a black hole the very moment they retire. NEOS wants to give these people joy in life again. How do we do this? NEOS is a vibrant association for active seniors with a broad interest. Culture, excursions, trips, sports and leisure, are all in the program of the 180 local departments. More than 27 500 seniors have already found their way to NEOS. Old friends find each other again at Neos, through local clubs' meetings, namely the cozy gatherings, lectures, parties, etc. organized by the older people's congregations. From there, NEOS along with those seniors, leave together for a day of culture, tourism, sport, etc.

START 50+ is a side project of NEOS, running over three years (2011-2014). The Flemish government carried out different generic measures in order to activate starters in different kinds of target groups. There are starting

initiatives for 50 +, immigrants, young entrepreneurs and women. Why does a senior organization constitute an activating labor market program? The answer is simple: grown out of Unizo as an organization for senior entrepreneurs, our association has a strong affinity with the world of entrepreneurs. Our club has a very strong entrepreneurial mindset as if it were in the DNA. It feels like our job to help others get started as entrepreneurs.

How do we help these people get started? Firstly, our task is to inform and sensitize public opinion. By writing articles, advertising, spreading information, and so forth, we try to make it clear that 50+ isn't too old to be self-employed. Secondly, people can register for free into a series of classes where they learn about entrepreneurship for people over 50 years old: namely (a) optimization of social security, (b) competences of entrepreneurs, (c) how to become self-employed in Belgium and (d) coaching. After following these four classes, they receive the starter guide of Unizo for free. These sessions have to give the older entrepreneurs a good idea of what being self-employed is all about. After providing theoretical and practical information, the individual coaching takes place. In the individual coaching, the older entrepreneurs receive free individual counseling from a career coach from Zenitor. At that time, a business plan and a feasibility study are set up with the older entrepreneur. The individual coaching is tailored to the needs of the senior entrepreneurs. The whole process depends however on the concreteness of the entrepreneurial idea: if the entrepreneur knows that he wants to do 'something' in a certain sector, for example, but has no concrete idea, the coaching will be based more on orientation. Where the initial idea is more concrete, the focus will be given to a feasibility study and business plan of the entrepreneurial project.



➔ Here's the summary of the classes given:

Topic	Organization
1. Active Ageing: entrepreneurship after 50	Unizo
2. Becoming self-employed after 50: optimization of social security	Zenitor
3. Competences and skills for entrepreneurs	NEOS
4. Flemish government initiatives for (older) starters	VDAB/Unizo/Zenitor



A lot of 50+ who are unemployed have little to no chance to find a job in the Belgian labour market. For many of them becoming an entrepreneur is the only way to ever work again. For them, microfinance can maybe be a useful tool.



The answer to the question of whether these older entrepreneur candidates need microcredit is an ambiguous question. In general we can see that there are two kinds of older entrepreneurs in our project:

a) The 50+ employee who wants to work for his own bill and/or is scared to lose his/her job.

On average, this kind of entrepreneur has a certain and valuable amount of financial resources. He has some savings and is willing to take risk. Here, it's a conscious decision of the person to become an entrepreneur. Most of the time, these are the candidates with a concrete entrepreneurial idea. Therefore, this kind of person doesn't need a microcredit because he/she has enough of both financial and social



resources. Due to their concrete and drawn business plan, banks open up more quickly to them, to help them starting up. For example, there was a woman over 50 who wanted to start a grocery shop and she had a very concrete plan. She had to visit several banks before she got her hands to a loan, but she managed it and eventually succeeded. These people are really motivated and stand out by their perseverance.

b) The 50+ unemployed person.

In this second case, the choice to become an entrepreneur is not a conscious one. A lot of 50+ who are unemployed have little to no chance to find a job in the Belgian labour market. For many of them becoming an entrepreneur is the only way to ever work again. For them, microfinance can maybe be a useful tool. Why? Because in most cases they've already been unemployed for several years, hence they're less strong, financially speaking. For them, it's much harder to convince banks to support them. Nevertheless, microcredits for this group can sometimes represent a loss. Indeed, investments made by those entrepreneurs are considerably low (compared to middle-aged or younger entrepreneurs) because they know that their project will not last very long. Hence, a great amount of candidate entrepreneurs of this group

frequently stop after the info sessions. This could be due to the lack of satisfactory financial resources or also to the awareness that being an entrepreneur means hard work.

I think that the main conclusion – when we look at the profile of the entrepreneur candidates of START 50+ – would be that candidates who go on and complete the whole process are seniors who already have an idea and/or sufficient financial resources. Those ones who really want to become entrepreneurs mostly succeed in their project, thanks to good preparation and well-thought actions. For the majority, they already own assets (buildings and/or raw material, from their former job and society, or from a secondary activity). This is also why they are much more likely to be granted a loan from a regular bank... Whereas for the group of unemployed older people, this is much harder...

Further information about NEOS' Start50+:

<http://www.neosvzw.be/>



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