

October Member Webinar



Senior Entrepreneurship and the New Longevity



NACCE

THE IMPACT OF ENTREPRENEURSHIP

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Before We Get Started...



- This webinar is being recorded.
- You will receive the slides and recording approx. 24 hours from now.
- Please submit your questions and comments via the questions or the chat feature on your GoToWebinar dashboard.
- Q & A will take place during the last 5-10 minutes.
- Share your webinar insights on Twitter with the hashtag #NACCEmemberwebinar – tag @NACCE

Overview



80% of new businesses fail. Yet, 75% of new ventures started by persons age 50+ are not only still in business at the end of year one, but reach \$1 million in sales by year three. Learn why senior entrepreneurs beat the odds, and how to foster senior entrepreneurship in your community.

Learning Objectives:

- Identify ways to stack the deck for start-up success for senior entrepreneurship.
- Understand the unique obstacles seniors face in launching new business ventures.
- Determine educational programs that can be implemented to inspire and support senior entrepreneurship in your community.

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Senior Entrepreneurship & Economic Development



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Reasons why it's so important to **stack the deck for start-up success** for senior entrepreneurs.



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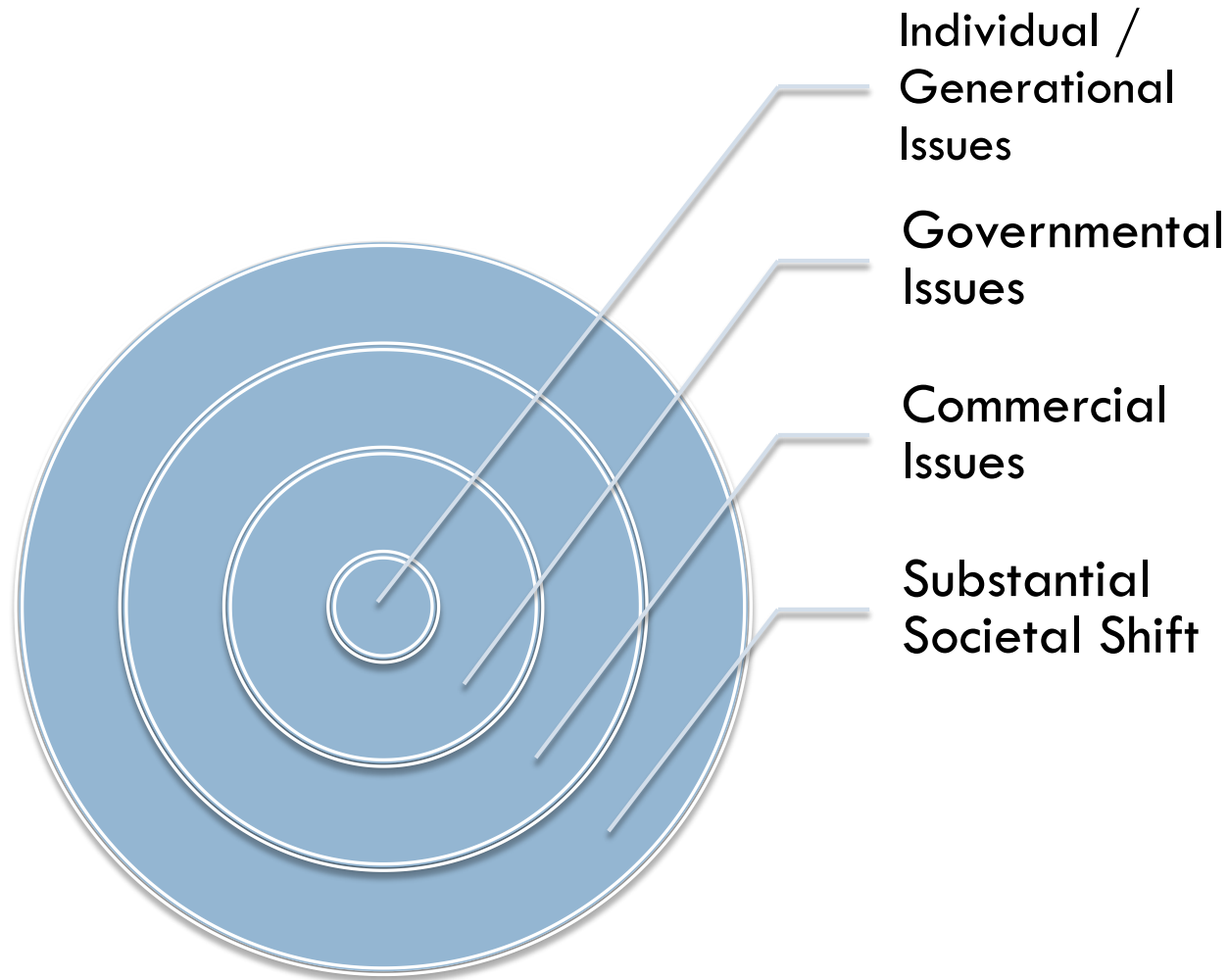
The Entrepreneurial Ecosystem Revolution

In order to bring about an entrepreneurial revolution, ecosystems must support seniors' encore careers.

Today's Learning Objectives:

- **Understand the unique obstacles seniors face** in launching new business ventures.
- Identify ways to **stack the deck for start-up success** for senior entrepreneurship.
- Determine **educational programs that can be implemented** to inspire and support senior entrepreneurship in your community.

A Perfect Storm: Aging U.S. Population



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The Silver Lining!

- 80% of new businesses fail.
- Yet, **75% of new ventures started by seniors** (persons age 50+):
 - ▣ Are **still in business at the end of year one**, and
 - ▣ **Reach \$1 million in sales by year three.**
 - (Kauffmann Institute, 2016)
 - More likely than their younger counterparts to employ more than five people so they are not only creating jobs for themselves but for others as well.



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OLDER ENTREPRENEURS AN UNTAPPED FORCE FOR ECONOMIC STABILITY:

- Less likely to place a financial burden on society
- More likely to contribute to the economy through the payment of taxes and by remaining economically active.
- And, in an economic downturn, there is more demand for education, and especially in fields such as entrepreneurship.

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The Entrepreneurial Ecosystem Revolution

In order to bring about an entrepreneurial revolution, ecosystems must support seniors' encore careers:

- From self-employed solo-preneur,
- To multi-million dollar entrepreneur,
- More seniors (age 50+) start businesses than those age 30 or younger.

Learn why senior entrepreneurs beat the odds, and how to foster senior entrepreneurship in your community.

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Understand the unique obstacles seniors face in launching new business ventures.



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Unique Obstacles Faced by Senior Entrepreneurs

- ❑ **Low confidence** in their own ability to start and run a business;
- ❑ **Risk aversion**;
- ❑ **Lacking** technology and business start-up **skills**;
- ❑ **Access to start-up capital** (without drawing on retirement savings);
- ❑ **Social agenda** interest, sometimes a higher priority than financial goals; and
- ❑ **Gender impact.** Older people report the widest gender gap in terms of early-stage entrepreneurial activity, with only six women engaged in start-up activity for every ten male entrepreneurs in this age group.

Source: Babson College & London Business School: Global Entrepreneurship Monitor Special Topic Report, 2016-2017

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AARP Foundation's
Work for Yourself @
50+ grant program

<https://www.youtube.com/watch?v=zAx-7QfuXyM>

Issues Facing Seniors

- 1 / 3 have less than \$10,000 in retirement savings
- Record high debt loads
- Unemployable in comparable positions
- New longevity

Industry Research Perspective



KAUFFMAN
The Foundation
of Entrepreneurship

Women are only 50% as likely as male counterparts to start a business.

Women-founded ventures tend to be:

- ☐ Smaller
- ☐ Financed at a lower rate
- ☐ Less profitable
- ☐ Slower to grow
- ☐ Home-based
- ☐ In female-typed industries, such as retail & interpersonal care

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Ways to *stack the deck* for senior entrepreneurship.



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Community and governmental incentives:

Promotion of the benefits of senior entrepreneurship; and

Raise awareness of entrepreneurship and/or self-employment as a potential late-career alternative.

- Identify **sectors** in the **economy that need boosting** and encourage senior entrepreneurs to start business in these areas.
- Encourage senior entrepreneurs to create **businesses catering to the specific needs of their own age group** – a growing and often fairly affluent target group.
- Enable seniors to use **unemployment benefits** for business creation activities.

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Establish networking centers where senior entrepreneurs can meet, exchange ideas and assist one another.

- Also helps alleviate social isolation.

- ▣ This is particularly **important for older women**, who may be from a generation which did not encourage women to pursue business careers.
- ▣ Peer-to-peer and industry mentoring programs.
- ▣ Start-up cohorts.

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Establish **targeted support programs** to foster senior entrepreneurship.

- Offer **targeted funding** that assists senior entrepreneurs to raise capital to start a new business, based on a sound and viable business plan.
- Seniors are also active **angel investors**. Structure ways for them to invest in other seniors' businesses.

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Implement educational programs to inspire and support senior entrepreneurship in your community.

- ▣ Best if lead by senior entrepreneurs
- ▣ Added benefit: senior entrepreneurs connect with their peers.



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Tailored short courses
for senior entrepreneurs.

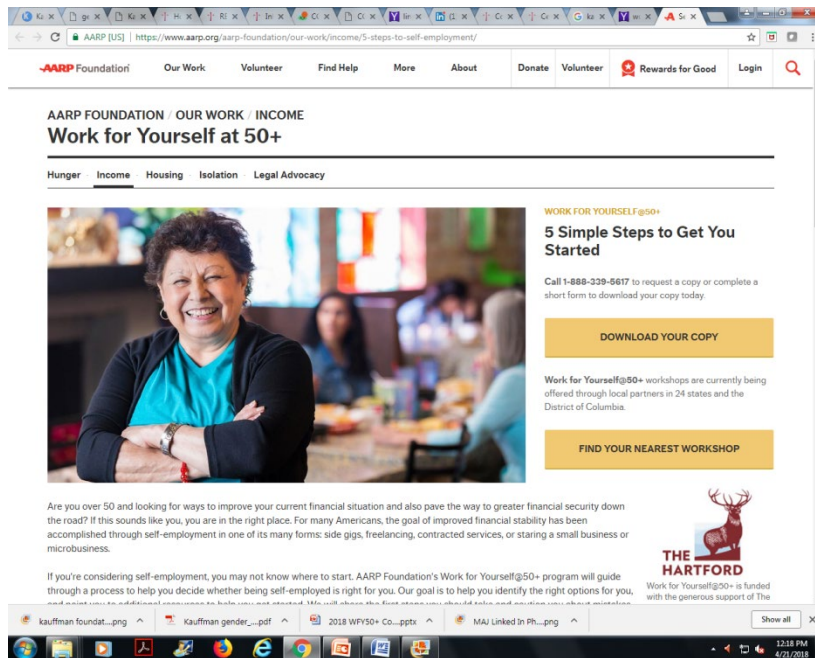
- Keep tuition rates low.
- Develop bite-size programming, that can be stopped and re-started.

Training in using technology and the Internet for business purposes including:

- Microsoft products,
- Data analytics,
- Supply chain sourcing, and
- Digital marketing and advertising campaigns.

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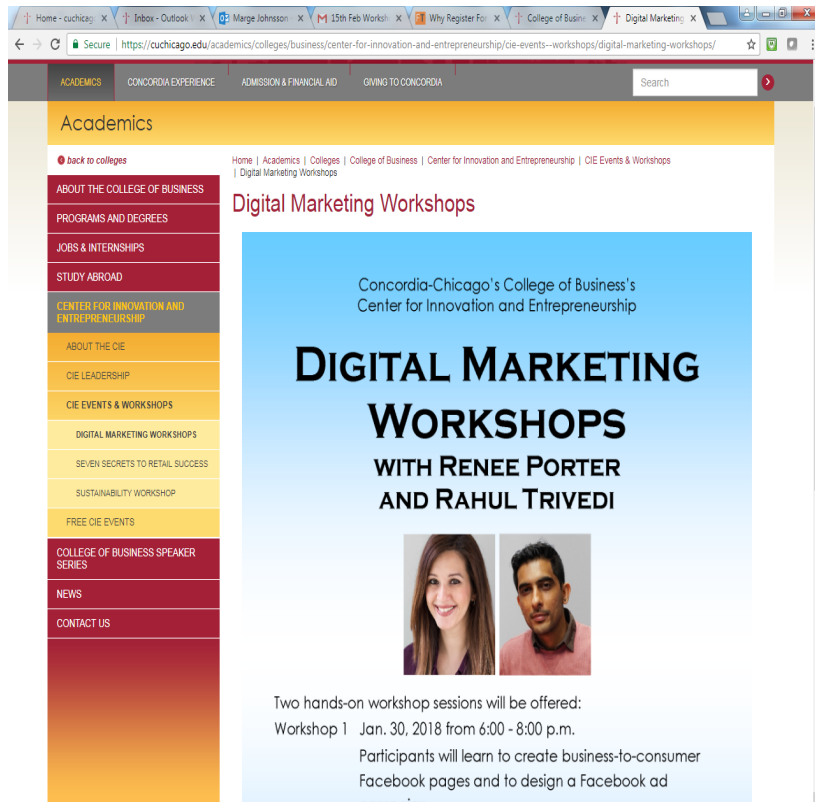


AARP Foundation's **Work for Yourself@50+** workshops help adults age 50+

- Gain knowledge, support, and resources;
- Make informed decisions;
- Take the right first steps toward successful self-employment.
- **Work4Yourself@50+** toolkit
- Connect with local resources to help reach their goals.

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Post AARP-sponsored WFY@50+ workshops

- 1) Assess entrepreneurial readiness
- 2) Join AARP Phase 2 – Business Planning & Coaching
- 3) Attend additional courses:
 - 1) Access to Financing
 - 2) Digital Marketing
 - 3) Grant Writing

QUESTIONS?

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