Spotlight
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Can your age and gender influence whether you'll start another business after failing?

A longitudinal study of 4,761 failed Swedish entrepreneurs reveals distinct reentry patterns across life stages

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Entrepreneurial failure is common. What is less studied is what happens afterward. Some failed entrepreneurs return to business with a new venture. Others move into wage employment and stay there. Others take years to make the decision. The variation is substantial—and it is not random.

This study uses **longitudinal data on 4,761 Swedish entrepreneurs** whose ventures failed between 2000 and 2004, tracked through 2008, to identify what shapes the decision to reenter entrepreneurship. The findings reveal a nuanced picture: age, gender, and whether the failed venture was co-owned all matter, but their effects interact in ways that standard "try again" narratives miss entirely.

WHAT WE STUDIED

The theoretical lens is a **developmental career perspective**. Rather than treating entrepreneurial reentry as a single decision driven by a fixed set of traits, the authors examine how life stage shapes the emotional, financial, and motivational context in which failed entrepreneurs evaluate their options. Career development theory suggests that priorities and self-understanding shift systematically between early career (under 40), mid-career (40–50), and late career (50+).

The data come from Statistics Sweden and cover the full population of Swedish entrepreneurs whose ventures failed in the four-year window. Reentry was defined as starting a new venture within the four-year follow-up period. Cox proportional hazards modeling was used to estimate how age, gender, and co-ownership of the failed venture influenced the timing and likelihood of reentry, controlling for education, industry, and prior experience.

KEY INSIGHTS

The age–reentry relationship is cubic, not linear

Earlier research has produced inconsistent results on whether older or younger entrepreneurs are more likely to return after failure. This study explains why. The relationship is cubic—shaped like a sideways "S"—with three distinct patterns across life stages. Under 40, reentry is common: failure is treated as learning, emotional stakes are lower, and the career horizon is long. Between 40 and 50, reentry drops sharply. This is the period of highest financial pressure, family responsibility, and existential doubt about career direction. Above 50, reentry rises again. Older entrepreneurs reframe failure through a longer perspective, draw on accumulated resources and self-knowledge, and sometimes see entrepreneurship as a meaningful path after traditional career milestones.

Women's trajectory diverges from men's

Men follow the cubic pattern described above. Women do not. Women's likelihood of reentry increases steadily with age, flattening slightly in late career but not declining. The pattern suggests that women's entrepreneurial opportunities expand rather than contract across the life course—possibly because family responsibilities that constrained earlier career choices become less binding, and because career confidence accumulates over time. The practical consequence is that women in their late 30s and 40s are just as likely as men to reenter entrepreneurship after failure, challenging the assumption that resilience is primarily a male trait.

Co-ownership's effect reverses across life stages

Whether the failed venture was co-owned rather than sole-owned has different effects at different ages. Early in the career, co-ownership encourages reentry: failure is easier to attribute to team dynamics rather than personal inadequacy. In mid-career, co-ownership suppresses reentry: failure in a shared venture often comes bundled with relationship breakdown and heavier emotional weight. In late career, co-ownership encourages reentry again: older entrepreneurs process shared-venture failure through different attributional strategies and draw on the network of co-owners for future opportunities. The same structural feature produces opposite effects depending on when in life the failure occurs.

TAKEAWAYS

Tailor support to career stage

Entrepreneurial support programs that apply one model across all ages leave most of their potential unrealized. Young adults after failure need low-stigma learning environments and accessible second-chance funding. Mid-career professionals need psychological support alongside financial advice. Late-career individuals benefit from purpose-driven pathways and opportunities to deploy their experience as mentors or co-founders in new ventures.

Recognize gendered trajectories in family firms

In family business contexts, where succession planning often assumes a linear career timeline, the finding that women's entrepreneurial capacity peaks later has practical implications. Next-generation development programs, succession plans, and executive education should accommodate the possibility that female family members may be ready to take on significant entrepreneurial roles well into their 40s and 50s.

Use co-ownership strategically

Co-ownership is not universally protective or universally harmful. Its effect depends on the career stage of the entrepreneurs involved. Young founding teams benefit from shared attribution when ventures fail. Mid-career teams face amplified relational costs. Families considering whether to back individual members in solo ventures or partnerships should factor in the age and life stage of the family member, not just the business logic of the partnership.

IMPACT

This study reframes entrepreneurial failure as a dynamic event embedded in a career trajectory, rather than a static outcome that people simply recover from or do not. The cubic age effect, the divergent gender patterns, and the stage-dependent role of co-ownership all point to the same conclusion: context shapes recovery more than individual traits do. For family firms, the findings offer a framework for thinking about how to support members through setbacks at different life stages. For policymakers, one-size-fits-all entrepreneurship programs miss the stage-specific needs that determine whether second ventures emerge.

RECOMMENDATIONS

1. **Design stage-specific entrepreneurial support.** Young entrepreneurs need learning infrastructure and destigmatized failure; mid-career entrepreneurs need psychological support; late-career entrepreneurs need purpose-driven opportunities and mentoring pathways.
2. **Build succession planning around women's later entrepreneurial peak.** Family firms should not assume that female next-generation members will be ready at the same life stage as male counterparts. Opportunities for leadership and entrepreneurial roles should remain open into mid-life and beyond.
3. **Factor career stage into co-ownership decisions.** When advising family members on whether to launch solo or with partners, consider the entrepreneur's life stage as a key variable in the recovery calculus if the venture fails.
4. **Destigmatize failure in family business discourse.** Open conversation about failure as part of the entrepreneurial journey reduces the emotional weight that suppresses reentry, particularly in mid-career where the drop in reentry rates is most pronounced.

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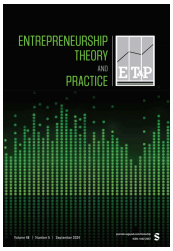
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