Spotlight
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What kind of senior society produces more entrepreneurs after age 55?

Active ageing capacities predict who starts a business after 55, with effects fading past 65.

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Most policy conversations about ageing populations start from a deficit. Pension systems strain. Labour markets shrink. Public finances tighten. Yet a quieter conversation has been building in the background — one that asks whether seniors themselves might be part of the answer rather than the problem. Senior entrepreneurship has been promoted as a way to keep older adults economically active, healthier, and engaged in their communities.

The question Jiyoung Kim and Per Davidsson tackle is what kind of senior population actually produces more entrepreneurs in the first place. Most existing research has looked at this through the lens of individual seniors — their motives, their characteristics, their personal circumstances. Their paper takes a different angle. It asks: across countries, what features of the senior population as a whole explain how many seniors run new businesses?

To answer this, the authors borrow a concept from gerontology that rarely makes it into entrepreneurship research: active ageing.

WHAT WE STUDIED

The framework rests on three capacities that gerontologists have repeatedly identified as central to ageing well. **Health** — physical and mental wellness. **Psychological resilience** — self-efficacy and the absence of crippling fear of failure. **Financial means**. The argument is intuitive. Seniors who can draw on these capacities are not only more likely to want to start a business; they also live in communities where other seniors act as customers, employees, role models, and supporters of new ventures.

To test the framework, Kim and Davidsson built a panel dataset spanning 2001 to 2021. They drew entrepreneurship rates from the Global Entrepreneurship Monitor's Adult Population Survey, healthy life expectancy from the World Health Organization, and self-reported health from the OECD. The full sample includes 368 country-year observations across 37 countries for younger seniors (aged 55–64), and 127 observations across 22 countries for older seniors (aged 65 and above).

The empirical analysis uses random-effects generalized least squares regressions. It controls for the usual suspects: GDP per capita, the quality of government entrepreneurship programmes, cultural norms supporting entrepreneurship, the senior employment rate, and the entrepreneurship rates of other age cohorts. Crucially, the authors split seniors into two subgroups — younger (55–64) and older (65+) — to test whether the framework holds equally well across both.

KEY INSIGHTS

Active ageing capacities matter — but mostly for the younger senior cohort

The headline result is clean. Among 55–64 year olds, all three active ageing capacities are positively associated with the prevalence of entrepreneurship. A one-year increase in healthy life expectancy at age 60 corresponds to a 0.54 percentage-point rise in the younger senior entrepreneurship rate. A ten percentage-point rise in seniors who feel capable of starting a business translates to a 0.38 percentage-point increase in entrepreneurship. The pattern holds even after controlling for the broader entrepreneurial climate in each country.

The picture changes after 65

For older seniors, the relationship largely dissolves. Physical health still matters — a one-year gain in healthy life expectancy is associated with a 0.28 percentage-point increase in entrepreneurship. Mental health and financial capacity show weak or mixed effects. Entrepreneurial self-efficacy and fear of failure, which strongly predict entrepreneurship among 55–64 year olds, have no statistically significant effect among those over 65.

This is the paper's most important warning to the field. Senior entrepreneurship has often been studied as if 'senior' were one homogenous category. It clearly is not.

Middle-aged entrepreneurship predicts everything else

In every model, the strongest single predictor of senior entrepreneurship is the entrepreneurship rate among middle-aged adults aged 35–54. The coefficient is large, statistically significant, and consistent across both senior cohorts. Countries that have built an active middle-aged entrepreneurial population today are essentially seeding their senior entrepreneurship rates a decade or two from now.

Self-efficacy travels across age groups

Of all the variables the authors examined, entrepreneurial self-efficacy — feeling capable of starting a business — predicts entrepreneurship in every age bracket from 18–24 through 55–64. Fear of failure and household income only show meaningful effects in the senior cohort. This makes self-efficacy the most age-portable driver of entrepreneurial activity in the dataset, and the one variable most worth investing in across the life course.

WHAT THIS MEANS FOR POLICY AND PRACTICE

The natural temptation when reading research like this is to design a programme that boosts the three capacities directly. The authors are honest about the limits of that approach. Health, psychological resilience, and household wealth are not policy levers you can pull on short notice. They are slow-moving features of societies, shaped by decades of investments in healthcare, pensions, education, and labour-market policy. Treating them as quick fixes for senior entrepreneurship would be naive.

A more useful implication runs sideways. If middle-aged entrepreneurship strongly predicts senior entrepreneurship, then encouraging entrepreneurial activity at every life stage — not only among seniors — is the most direct route to a more entrepreneurial senior population. The 50-year-old who launches a venture today is the most likely candidate to still be running a business at 65, and the most plausible role model for seniors who haven't yet considered starting one.

A second implication is that older seniors deserve their own theory. The active ageing framework, calibrated largely to the activity patterns of middle-aged adults, may simply miss what motivates entrepreneurial action after 65. People in this age range juggle a wider mix of life options — volunteering, caregiving, travel, leisure, part-time work, full retirement. Entrepreneurship sits in a different decision space for them than for someone five years from a state pension. Programmes that treat 55 and 75 as equivalent will likely miss both.

IMPACT

Beyond its specific findings, the paper does something the senior entrepreneurship literature has long needed: it shifts the conversation from the individual to the population. Most prior work asks who becomes a senior entrepreneur and why. Kim and Davidsson ask what kind of society produces senior entrepreneurs in the first place. That framing puts the spotlight on the structural conditions — health systems, pension regimes, cultural norms about ageing — that shape entrepreneurial possibility before any single senior considers starting a business.

The paper also opens new ground for researchers interested in age heterogeneity. Treating seniors as one bloc has obscured real differences in how 55-year-olds and 75-year-olds make economic choices. The authors hint at a richer agenda using occupational choice theory and a more refined view of life-course transitions. That agenda will likely involve narrower dimensions of active ageing than the three broad capacities studied here.

For business families, the findings carry particular relevance. Senior family members considering entrepreneurial side ventures, post-succession projects, or family office initiatives are not making decisions in a vacuum — the broader senior population's health, confidence, and spending power shape the markets they can serve. And the family business itself often functions as the stage on which middle-aged members build the self-efficacy this paper links to later-life venturing.

RECOMMENDATIONS

1. Treat senior entrepreneurship as a long-horizon outcome of investments in health, pensions, and education — not a short-term policy goal that responds to enterprise programmes alone.
2. Distinguish between younger seniors (55–64) and older seniors (65+) in both research and policy

design. The drivers diverge meaningfully across these cohorts.

3. Invest in middle-aged entrepreneurship if the goal is more senior entrepreneurship. The cross-age spillover is the strongest signal in the data.
4. Build interventions around entrepreneurial self-efficacy. It is the one driver that consistently predicts entrepreneurial activity across every age group.
5. For business families, treat the family enterprise as a training ground for the self-efficacy and entrepreneurial confidence that this research links to later-life venturing.

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