

# **New Engines for a New Economy**

## **“Senior Entrepreneurs”**

***Driving Social, Economic, and Environmental  
Growth in Communities, the Nation, and the World.***



Webinar, December 2013

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# Scope of Presentation

- ✧ Overview of the social, environmental, and economic impact of senior entrepreneurship in today's global “longevity economy.”
- ✧ How to identify, support, and sustain senior entrepreneurs through programs, policy, capitalization, and research.



# Paradox of the New “Longevity Economy”

## - Passive vs. Proactive

- ★ **Passive:** Seniors, aged 50+, as a \$3 Trillion **Market Opportunity** in the US - \$15 Trillion Globally
- ★ **Proactive:** Seniors, aged 50+, **Creating and Driving Economic Markets** in the US and Globally



# Seniors, aged 50+, as a **Market Opportunity**

- \* Many innovators, brand managers, marketers, and product designers, who ignored this market for decades, now want **a piece of the trillion dollar pie**.
- \* Innovation based on **what can be sold to** this huge and growing, at 10,000 a day, demographic.
- \* Products such as medical alert bracelets and adult diapers are **palliative** in nature, and they highlight and reinforce the **debilitating effects** of aging.
- \* Product innovation aimed primarily at the **older olds**, age 75 and up.



# Seniors, aged 50+, Creating and Driving Economic Markets

## Defining the 50+ Entrepreneur

- \* This is a highly creative, powerful, and extraordinary demographic – courageous, enlightened and willing to fight for what they believe in. We need to **unleash their potential**.
- \* Recent research in the United States from the MetLife foundation documents 34 million boomers want to start their own businesses.
- \* Contrary to a commonly held perception that only young people engage in business start-ups, research by the [Kauffman Foundation for Entrepreneurship](#) has established that the highest rate of business start-up activity over the past decade has consistently been among people in the 55-to-64 age bracket.
- \* According to the Kauffman Foundation's Index of Entrepreneurial Activity, 1 in 5 new entrepreneurs in 2011 were aged 55-64; almost half of all new entrepreneurs were between the ages of 45 and 64 and this cohort continues to grow.



# Seniors, aged 50+, **Creating and Driving Economic Markets**

## Defining the 50+ Entrepreneur (cont.)

- \* In the UK, 'third age' entrepreneurs are responsible for over one quarter of new start-ups.
- \* The 2013 GEM (Global Entrepreneurship Monitor) data documents that 50% of new businesses launched by individuals aged 50+ are still in business after five years. Contrast this to the US Bureau of Labor Statistics (BLS) and the Census which note: "The typical new business started in the United States is no longer in operation five years after being founded."
- \* Often, too, as this NY Times article, [Retiree Start-ups with Age and Youth as Partners](#), indicates, seniors are working hand-in-hand with the younger generation to create new businesses.



# Seniors, aged 50+, Creating and Driving Economic Markets

## Social Benefits and Economic ROI Derived from Senior Entrepreneurs

- \* Individual's health, well-being, and economic self-reliance.
- \* Communities' (including employers') health and well-being:
  - ◇ Economic - workforce development, job creation, improved productivity and wealth creation as senior entrepreneurs pour investment dollars back into their communities.
  - ◇ Environmental - 60% of boomers are building green businesses.
- \* And, according to research from the AEO ([Association for Enterprise Opportunity](#)), if one in three micro-businesses in the United States hired an additional employee, the US would be at full employment (see <http://www.oneinthree.biz>).



# Seniors, aged 50+, **Creating and Driving Economic Markets**

## **Social Benefits and Economic ROI (cont.)**

- \* Senior Entrepreneurs and employed adults, aged 65+, contribute \$120+ billion in federal taxes\* annually to support federal programs and reduce dependency on entitlement programs.
- \* Senior Entrepreneurs present new market lending opportunities for lenders.
- \* New digital business opportunities. Increased demand for Technology (products, services, e-commerce) to facilitate senior business startups.
- \* Intellectual capital: Engaging seniors in both business creation and in supporting new and existing entrepreneurs maximizes the wealth of experience they possess, cultivates intergenerational learning, and ensures knowledge transfer.



# Seniors, aged 50+, **Creating and Driving Economic Markets**

## **Social Benefits and Economic ROI (cont.)**

\* Collaborative entrepreneurship. Seniors, who may not wish to launch a business of their own, represent a valuable resource for other entrepreneurs. Retired business people have precious know-how and experience that can make it easier to start and run a company than it might otherwise be for an inexperienced founder. We should be encouraging motivated seniors to serve as voluntary mentors, potential buyers of or investors in businesses, or as temporary managers to assist vulnerable start-ups or businesses in transition.

\* Senior Entrepreneurs are driving economic recovery in our communities and in our country, and their experience, extensive networks, and problem-solving expertise mitigate the risk of failure endemic among new business startups.

**Today's Senior Entrepreneurs are creating a whole new paradigm for aging. The world is beginning to recognize seniors as assets and not liabilities - and it's not a moment too soon!**



# Creating and Sustaining Senior Entrepreneurs



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# Creating and Sustaining Senior Entrepreneurs through Collaboration

- \* SeniorEntrepreneurshipWorks.org, Babson College and its ET&A® (Entrepreneurial Thought and Action), and the Lawrence N. Field Center for Entrepreneurship at Baruch College of the City University of New York are working collaboratively to serve senior entrepreneurs throughout the United States and abroad.
- \* The collaboration represents a unique approach to support and sustain senior entrepreneurship through programs, policy, capitalization, and research.



## Entrepreneurship Education Programs

- ✧ A hybrid learning entrepreneurship curriculum tailored to address the needs of the adult learner.
- ✧ Content for senior entrepreneurs is segmented to take the user fully across the entrepreneurial developmental arc: awareness, simulation, incubation/acceleration, launch, and scale.
  - \* [eProvStudio.com](http://eProvStudio.com)
  - \* [SeniorEntrepreneurshipWorks.org](http://SeniorEntrepreneurshipWorks.org)
  - \* IVE (Institute for Virtual Enterprise)
  - \* GCEE (Global Consortium for Entrepreneurship Education)
  - \* GEM (Global Entrepreneurship Monitor)
  - \* eProv Challenge Accelerator





Created in the Social Innovation Lab at Babson College, these workshops – delivered worldwide - are designed to ignite ideas through Babson’s signature ET&A® (Entrepreneurial Thought and Action) and Improvisation for seniors to re-imagine/renew their lives rather than retire from them.





A free, online, open-source entrepreneurship curriculum, hosted at Baruch College, designed to meet the 50+ entrepreneurs' needs.



# IVE (Institute for Virtual Enterprise)

- ★ Hosted at Baruch College, IVE is a business & entrepreneurship simulation where students create and operate virtual firms and trade virtual or real products and services through a global e-commerce network of over 4,000 firms across more than 40 countries.

- ★ IVE provides a package of products and services on an open- access model:

  - The MarketMaker is an integrated bank, credit card, e-commerce/inventory management system and stock market with a realistic web interface resembling the online account management functions of a major financial institution.

  - IVEweBlog - to think, write, and reflect about classroom experiences and share resources

- ★ IVE partners become part of a global collaborative and are expected to share their innovations.



## GCEE (Global Consortium for Entrepreneurship Education)

- ★ Founded by Babson College, GCEE is an alliance of like-minded institutions from around the globe that are committed to entrepreneurship education.
- ★ GCEE provides a unique opportunity to share best practices, collaborate with member institutions on a variety of initiatives, gain in-depth access to Babson's expertise, and remain on the cutting edge of entrepreneurship education.



## GEM (Global Entrepreneurship Monitor)

- ★ GEM was initiated in 1999 as a joint venture of Babson College and the London Business School.
- ★ GEM is the largest and most developed research program on entrepreneurship in the world. Starting with 10 participating countries, the project, now in its 14<sup>th</sup> year of operations, has expanded to include 69+ countries.
- ★ GEM is unique because, unlike most entrepreneurship data sets that measure newer and smaller firms, *GEM studies the behavior of individuals with respect to starting and managing a business.*
- ★ GEM nations are members of an entrepreneurship research project which provides access to the collective knowledge of some of the world's most renowned researchers and institutions, and its data has influenced national economic policies.



## eProv Challenge Accelerator

*Entrepreneurship is not an individual sport – doing it in “community” amplifies the results.*

- ★ Created in the Social Innovation Lab at Babson College, **The eProv Challenge Accelerator** is a fast paced design that allows cross-sector members of a community to creatively assist an entrepreneur in addressing a specific dilemma in real-time.
- ★ Entrepreneurs - new venture creators, intrapreneurs, community economic development leaders - bring their individual expertise and experience to bare.
- ★ Entrepreneurs get 2 minutes to rocket-pitch a “bite-sized” need s/he is facing within their business, organization or community. After 2-hours in this creative environment, the entrepreneur with a challenge walks away with new opportunities and an expanded resource base in multiple dimensions.



## Guiding Principles

- ★ **Reality** based - no rose colored glasses allowed.
- ★ Replace the noun entrepreneurship with the verb **entrepreneuring**.
- ★ **Take the intimidation** out of entrepreneuring.
- ★ Recognize there are **many different kinds** of entrepreneurs.
- ★ **Anyone can become** an entrepreneur – you don't have to be born one.
- ★ Entrepreneuring is not an individual sport – doing it in **“community”** amplifies the results.
- ★ **Unleash the potential** for everyone to create a more just, equitable, and mutually beneficial civil society.
- ★ And, as our friends at [The Institute for the Ages](#) have so aptly noted, **potential never gets old!**



# Shaping entrepreneurs of all kinds...



Courtesy, *Mischa Richter*



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## How Can You Harness the Individual and Collective Experience of Older Adults to Boost and Sustain Prosperity for All Ages?

- \* Use Your Curiosity to build new and innovative alliances among public/private stakeholders (including those in this room and others at this conference) invested in the health and well-being of seniors and individual as well as community economic self-reliance.
- \* Develop Programs – more entrepreneurial education and training programs, including (intergenerational programs.)
- \* Advocate for New Public Policy that recognizes older adults as assets and not liabilities.
- \* Generate New Research Initiatives to document the social, environmental and economic impact of seniors contributing to our “Longevity Economy.”
- \* Create New Methods of Capitalization for boomer business startups.



# Thank you!

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