Int. Journal of Business Science and Applied Management, Volume 3, Issue 3, 2008

Understanding the older entrepreneur: Comparing Third Age and Prime Age entrepreneurs in Finland

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Abstract

This paper responds to the need for more data on the topical issue of older entrepreneurship by comparing Third Age (50+ years) and Prime Age (20-49 years) entrepreneurs in Finland. The data comprises responses from 839 small firms which were established 2000-2006. The fact that 16% of these firms were founded by individuals aged 50 or over indicates that older entrepreneurship is not a marginal issue, even though the start-up rate in the Third Age population was found to be slightly less than half of that in the Prime Age cohort. Further, the findings point to the need for more empirical, especially qualitative, research on issues related to the social and cultural perceptions of old age and gender as well as different 'pull' motivations leading to entrepreneurship at an older age, which were found to clearly dominate over 'push' motives in this context.

Keywords: entrepreneurship, third age, older entrepreneur, ageing, Finland

Acknowledgements: The financial support of the Finnish Foundation for Economic Education is gratefully acknowledged.

1 INTRODUCTION

A number of recent conceptual and empirical studies have drawn attention to entrepreneurship at older ages (Baucus and Human, 1994; Curran and Blackburn, 2001; Dollinger et al., 1988; Hart et al., 2004; Kautonen et al., 2008; Levesqué and Minniti, 2006; McKay, 2001; Singh and DeNoble, 2003; Weber and Schaper, 2004; Webster and Walker, 2005). This is a topical issue for at least two reasons. Firstly, given the ageing populations in the OECD countries (OECD, 2001), the growing numbers of early retirees with the experience and financial means for entrepreneurship (Dollinger et al., 1988), and 'the potential for older people to be disenfranchised in jobs and through retirement' (McKay, 2001, p. 162), it is likely that the number of older business founders will be increasing. Secondly, promoting older entrepreneurship can be seen as a potential policy option for prolonging the working life of the ageing population (Kautonen et al., 2008; Webster and Walker, 2005). This, on the other hand, is considered a potential remedy to the economic challenges caused by the ageing population such as increasing costs of health care and, in institutional systems with public welfare and pensions, the burden of these payments falling on a decreasing number of workers (Visco, 2001; Webster and Walker, 2005).

Older entrepreneurship is still an under-researched area characterised by a scarcity of empirical data. In particular, little recent research is available on older entrepreneurs: the people who actually become self-employed or start a business at an older age (for exceptions, see Baucus and Human, 1994; Kautonen et al., 2008; McKay, 2001). Weber and Schaper (2004) provide an overview of the literature on the older entrepreneur and raise a number of issues for further research. One of these concerns the differences between younger and older entrepreneurs. What characterises and motivates older people who start a new business, and whether older entrepreneurs differ from their younger counterparts, and if so, how?

The present study sets out to explore these questions based on a survey of Finnish small businesses (less than 50 employees). The sample consists of a total of 839 enterprises, which were entered onto the Business Register maintained by Statistics Finland between 2000 and 2006. The sample includes 134 firms (16%) that were started by people who were between 50 and 64 years of age at the time of registering the business. This age interval corresponds to the definition of Third Age in Hart et al. (2004), while the authors used the term Prime Age to refer to 20-49 year olds. Thus, the terms older entrepreneur and Third Age entrepreneur are used interchangeably in this study to refer to an individual who becomes self-employed or starts a new business firm employing one or more people when aged between 50 and 64. Thus, the focus is not on the cohort of ageing business owners, but on those people who start a business late in their working career.

Due to the scarcity of previous empirical research in this area, the approach adopted in this study is explorative and its aims are mainly descriptive. The main contribution of the study is to respond to the urgent need for data and preliminary results on older entrepreneurs to enable hypothesis development and more detailed empirical studies in this under-researched area. The paper is organised as follows. The first section examines the older entrepreneur based on a review of previous conceptual and empirical literature. The emphasis is placed on those issues on which the survey data in this study sheds additional light: the characteristics of older entrepreneurs and their motivations to become self-employed or start a new business. Next, selected survey results are presented and their implications for our understanding of the older entrepreneur are discussed. The concluding section summarises the key results and provides potential future research avenues.

2 CHARACTERISTICS AND MOTIVATIONS OF THE OLDER ENTREPRENEUR: A LITERATURE REVIEW

2.1 Characteristics of older entrepreneurs

A number of characteristics of older entrepreneurs and their firms are addressed in the literature. One such characteristic concerns the entrepreneurial competencies and intentions of older people. Prior studies have suggested that older entrepreneurs are more capable of starting and running a business than their younger counterparts due to the financial, human and social capital accumulated over a lifetime career (Singh and DeNoble, 2003; Weber and Schaper, 2004). In fact, research evidence shows that the survival rates of businesses established by older entrepreneurs are higher than those of younger entrepreneurs (e.g., Cressy and Storey, 1995). On the other hand, two recent empirical treatises on older entrepreneurship indicated that in general, older people are significantly less likely to engage in entrepreneurial activity than younger individuals (Curran and Blackburn, 2001; Hart et al., 2004). This suggests that while the ability to establish and run a business is higher at an older age, the motivation

for entrepreneurial behaviour is significantly lower. This is in keeping with the more general conclusion from a recent Norwegian study of nascent entrepreneurs over the age of 18, which found that while entrepreneurial competencies increase with age, entrepreneurial intentions tend to decrease (Rotefoss and Kolvereid, 2005).

Another characteristic considered in this study relates to the previous entrepreneurial experiences of older (potential) entrepreneurs. Given that earlier research has found that previous entrepreneurial experience positively influences the likelihood of establishing a business (Rotefoss and Kolvereid, 2005) and that a number of differences between novice and serial entrepreneurs exist (Alsos and Kolvereid, 1999; Westhead and Wright, 1998), it seems prudent to distinguish between these two groups in the context of older entrepreneurship. Here, the term novice entrepreneurs refers to individuals who establish a business without previous entrepreneurial experience, while serial entrepreneurs are those who have founded one or more businesses before their current one. MacMillan (1986, cited in Alsos and Kolvereid, 1999) described serial entrepreneurs as individuals who are motivated by the excitement and challenges associated with the creation and ownership of business enterprises. Ucbasaran et al. (2003) argue that serial entrepreneurs may enjoy an experience advantage compared to novice founders, since serial entrepreneurs have had the opportunity to acquire resources and learn in their previous entrepreneurial career. Even though it has been hypothesised that serial entrepreneurs run more successful businesses, empirical investigations have not supported this hypothesis (Alsos and Kolvereid, 1999; Westhead and Wright, 1998). One explanation may be, as Alsos and Kolvereid (1999) point out, that the skills acquired in previous ventures are not necessarily (fully) transferable.

A further characteristic concerns the gender distribution among older entrepreneurs. Based on their literature review, Weber and Schaper (2004) argue that older entrepreneurs are predominantly male. However, the data cited by the authors includes owner-managers over the age of 50, while the focus here is on individuals who start up after they have turned 50. Since many of the firms owned by older individuals are likely to have been started at a younger age, this argument does not directly address the specific characteristics of older entrepreneurs as they are defined in the present study. Then again the results of a recent self-evaluation survey by the Prince's Initiative for Mature Enterprise (PRIME), an enterprise support organisation in the UK focusing on the Third Age segment, do show that most (64%) individuals contacting them for enterprise advice and support indeed are male (PRIME Initiative, 2006). Given that women manage and own approximately one third of businesses in developed economies (McClelland et al., 2005), there does not seem to be a difference to this general proportion in the 50+ age cohort.

However, while child care and related family obligations, including supporting the husband's career, have been found to influence entrepreneurial behaviour among younger women, this is of limited importance or no longer an issue for older women (McKay, 2001). Therefore, one would actually expect a higher proportion of female entrepreneurs in older age cohorts, or explanations other than family obligations need to be found. One potential explanation for a lower start-up rate among older women is provided by McKay (2001), who interviewed ten women entrepreneurs between the ages of 57 and 73 in Canada. She explains that what is considered appropriate for a younger woman today in terms of career aspirations was not acceptable for generations of women before. The author continues that even if women of an older generation do realise and try to take advantage of changing gender roles, they often find their options 'limited by perceptions of what is acceptable for their generation and age group' (McKay, 2001, p. 161). Therefore, it seems fair to assume that older entrepreneurs are indeed mostly male.

The final issue related to the characteristics of older entrepreneurs addressed in this study is their educational background. Previous studies of older entrepreneurship indicate that older entrepreneurs generally possess lower levels of post-secondary education (Weber and Schaper, 2004). A likely explanation to this finding derives from the evidence cited by the authors, which seems to refer to older business owners rather than individuals starting a business at an older age. Most likely some or even many of these owner-managers started their businesses when they were younger and at a time when higher education was not as commonplace as it is today. Moreover, entrepreneurial individuals do not necessarily seek higher education degrees if the skills are not considered relevant and/or the degree is perceived more as a recruitment tool for large firms (Parker, 2004). This might also have affected the lower levels of higher education among those owner-managers who had started their first business early in their working career. In other words, previous studies do not seem to tell us much about the educational characteristics of older entrepreneurs.

2.2 Motivations for business start-up

Turning to the motivations for starting up in business, a distinction between 'pull' and 'push' factors is commonly found in the literature (e.g., Basu and Goswami, 1999; Stanworth and Curran, 1973; Wennekers et al., 2001). The former refer to positive factors that 'pull' people into business ownership, such as independence, increased earning and opportunities for carrying out their own ideas. Moreover, older individuals on the brink of retirement may see small-scale entrepreneurial activity as a positive way of keeping themselves active, thereby increasing their social inclusion and benefiting the society with their human and social capital (Kautonen et al., 2008; Webster and Walker, 2005). 'Push' factors, on the other hand, comprise negative impulses such as redundancy, a lack of alternative career opportunities and dissatisfaction with the current job (McClelland et al., 2005; Singh and DeNoble, 2003). If there is a lack of paid employment opportunities in the labour market, self-employment becomes more attractive, as does retirement in the particular context of older entrepreneurs (Dyer, 1994; Singh and DeNoble, 2003). However, Weber and Schaper (2004) note that insufficient retirement funds and inadequacies in pension entitlements also act as 'push' factors to entrepreneurship. Dissatisfaction with the current job and career development opportunities are particularly relevant for the Third Age segment, given that older people can face problems such as age discrimination and limited access to training opportunities in the labour market (Brown, 2000; Webster and Walker, 2005).

Singh and DeNoble's (2003) conceptualisation of three groups of older entrepreneurs based on their outlook and risk-taking propensities provides a useful further distinction to the 'pull'/'push' discussion. The authors argue that each type of entrepreneur demonstrates different manifestations of post-career self-employment. *Constrained entrepreneurs* are individuals who have relatively high entrepreneurial tendencies, but have been unable to act on these in their main career phase due to established or perceived constraints. The main motive for pursuing entrepreneurship in a later age is likely to be personal accomplishment. *Rational entrepreneurs* refer to individuals who decide to become entrepreneurs based on a rational comparison between the benefits offered by the person's current position and entrepreneurship. Although the authors acknowledge a range of motives behind this rational choice – including prestige, respect and honour – the main motive is argued to be a reliable and steady stream of income, which is required to support the person's established lifestyle. *Reluctant entrepreneurs* form the third group in this taxonomy. While constrained and rational entrepreneurs are attracted to entrepreneurship on the basis of 'pull' factors, reluctant entrepreneurs are self-employed by necessity due to a lack of viable employment opportunities in the primary labour market and the lack of such financial resources that would allow retirement while maintaining the preferred lifestyle.

3 METHOD AND DATA

The data used in this study originates from a survey conducted in October 2006 as part of a policy-oriented project on factors influencing the emergence of new enterprises in Finland. This study was, however, not designed specifically to compare Prime Age and Third Age entrepreneurs. Nevertheless, the dataset contained a substantial number of both older entrepreneurs and variables apposite for exploring their characteristics and motivations, thus making the data suitable for the purposes of this paper.

The sample was drawn from the Business Register maintained by Statistics Finland. The sampling frame included all businesses founded in 2000 or later, up until and including August 2006, amounting to a total of 97,804 enterprises. A random sample of 3900 was drawn and questionnaires were sent out by regular mail. 939 usable responses were received by the deadline, giving a response rate of 24.1% which can be considered satisfactory based on previous experience and other studies using similar sampling frames. However, even though the sampling frame was limited to businesses established in 2000 or later, the sample nevertheless contained 88 enterprises which had been founded in the 1990s. This is probably due to changes in the firm's name, ownership or legal status, which had caused the business to re-register 2000-2006. These firms were removed from the sample, as were those few firms where the entrepreneur had been under the age of 20 or over the age of 64 when starting the business. This was done in order to facilitate comparability with previous research by using the definitions of Prime Age and Third Age in Hart et al. (2004).

The final dataset used in this analysis contains 839 firms founded between 2000 and 2006 by people who were between 20 and 64 years of age at the time of starting the business. A little over a third (36.5%) of the firms had been established in 2006 or 2005, a further third (32.2%) in 2004 or 2003 and the rest (31.3%) in 2002, 2001 or 2000. Hence, there is a slight majority of younger firms in the sample. However, there are no notable differences between the Third Age and Prime Age segments in terms of how many years the firms had been in business at the time the survey was conducted. There were no significant differences in terms of the sectoral distribution of the businesses established by

Prime Age and Third Age entrepreneurs either. In the total sample, 55.7% of the firms operated in the services sector, while 16.1% and 15.3% were engaged in trade and construction, respectively. Only a minority of the sampled businesses were in the manufacturing or transport sectors.

Chi-square and one-way between groups analysis of variance tests were conducted to explore differences between Prime Age and Third Age entrepreneurs. Chi-square analysis was used to identify differences relating to categorical variables, whereas analysis of variance tests were used with regard to variables measured at the interval level (seven-point Likert scale). The results of the analyses are presented and discussed in the following section.

4 RESULTS AND DISCUSSION

4.1 Characteristics of older entrepreneurs

The literature review commenced with a discussion of the entrepreneurial competencies and intentions of older people. One of the propositions that emerged in this context referred to entrepreneurial activity declining with age. From the total sample of 839 firms, 134 businesses (16.0%) had been founded by Third Age entrepreneurs, while 705 firms (84.0%) had been established by individuals belonging to the Prime Age category. The author's calculations based on the population statistics available on the website of Statistics Finland (2006) show that there are approximately 3.2 million people in Finland aged between 20 and 64, that is, either Prime Age or Third Age. The share of Prime Age individuals of the total of 3.2 million was 65.2%, while 34.8% were Third Age. Hence, the rate of start-ups in the Third Age segment in the sample (16.0%) was less than half of the actual share of Third Age individuals in the population (34.8%). This finding is in keeping with the results in Hart et al. (2004), who found the entrepreneurial activity rate for Third Age individuals in the 2003 UK Global Entrepreneurship Monitor data to be approximately half of the Prime Age rate. Further support for the proposition that entrepreneurial activity declines with age is provided when the age at which the business was set up is investigated. The majority (60.4%) of the Third Age entrepreneurs were between 50 and 54 when starting their business, while far fewer started up in their late 50s (29.2%) or early 60s (10.4%). Lévesque and Minniti (2006) clarify the age effect in entrepreneurship with the opportunity cost of time. The authors argue that as individuals get older, they become less willing to invest time to activities which do not produce instant returns, including starting a new business.

Table 1: Gender and education

	Prime Age		**Third Age novice**		**Third Age serial**		**Total**		**Chi-square**	
	No.	%	No.	%	No.	%	No.	%	χ^2	Sig.
Gender									9.20	0.010
Female	267	37.9	32	42.1	11	19.0	310	37.0		
Male	437	62.1	44	57.9	47	81.0	528	63.0		
Total (n)	704		76		58		838			
Education									24.36	0.000
Comprehensive or secondary	118	16.8	10	13.1	20	35.1	148	17.8		
Vocational	207	29.6	12	15.8	8	14.0	227	27.3		
College or polytechnic	240	34.4	32	42.1	17	29.9	289	34.7		
University	135	19.2	22	28.9	12	21.1	169	20.3		
Total (n)	700		76		57		833			

The table includes only respondents who indicated their gender or education level.

Table 1 addresses a number of issues discussed in the literature review section relating to the characteristics of older entrepreneurs. Firstly, the table distinguishes between Third Age novice and Third Age serial entrepreneurs based on whether the individual had had previous entrepreneurial experience before establishing the current business. For 56.7% of the Third Age entrepreneurs (76 respondents) the current business was their first one, while the rest (43.3% or 57 respondents) had founded one or more businesses in the past. This result shows that 9.5% of all businesses established between 2000 and 2006 in Finland were founded by individuals aged 50 or over who transferred from paid employment, unemployment or retirement to self-employment without previous entrepreneurial experience. This, together with the finding that 50+ serial entrepreneurs establish a further 6.9% of new Finnish businesses, clearly indicates that even though the entrepreneurial activity rate for the Third Age cohort is less than half of the Prime Age rate, older entrepreneurship is by no means a marginal issue.

A further examination of the data (not shown in Table 1) revealed that Third Age novice entrepreneurs more often start a one-person business (59.7%, compared to 47.9% in the Prime Age and 49.1% in the Third Age serial group) and that Third Age entrepreneurs in general hire more than one employee less often than Prime Age entrepreneurs (33.6% of the Prime Age entrepreneurs had two or more employees in their firm, compared to 19.4% of the Third Age novice and 18.6% of the Third Age serial entrepreneurs). However, none of these differences reached statistical significance in the chi-square test. When asked whether their business has grown, shrunk or stayed about the same in the past twelve months in terms of turnover, Third Age novice entrepreneurs tended more towards staying at the same level of business compared to the other two groups, showing lower observed than expected counts for growth. However, this result is not significant in terms of the chi-square test (χ^2 = 6.69; df = 6; significance level = 0.351). Therefore, there is no statistically significant evidence to substantiate differences in the quality or success of firms established by Prime Age and Third Age entrepreneurs, or Third Age novice and Third Age serial entrepreneurs, in terms of the size and growth of the business. The latter finding is in line with previous research on novice and serial entrepreneurs, where no evidence has been found to support the hypothesis that serial entrepreneurs run more successful businesses (Alsos and Kolvereid, 1999; Westhead and Wright, 1998).

Secondly, Table 1 displays the gender distribution of the Prime Age, Third Age novice and Third Age serial entrepreneurs in the sample. The literature review led to the proposition that Third Age entrepreneurs are predominantly male. Indeed, the share of women (32.8%) in the total Third Age sample does not deviate from the average general level of female entrepreneurship indicated in other studies (e.g., McClelland et al., 2005) and is approximately in keeping with the share of women (36%) in the clientele of the UK older enterprise support organisation PRIME (PRIME Initiative, 2006). Thus, this finding appears to support the proposition presented in the literature review that the removal of family obligations at an older age does not increase entrepreneurial behaviour for women. One possible explanation for the lower share of older female compared to older male entrepreneurs presented in the literature review refers to the changing perceptions of the appropriateness of career aspirations for women (McKay, 2001). The older generations have grown up in a time when women were less likely to pursue careers outside of home, and this may affect their entrepreneurial behaviour too. This proposition is supported by the share of women in the Third Age serial group, which is significantly lower than in the Third Age novice category. In fact, it seems that the very low number of female Third Age serial entrepreneurs is responsible for the low share of women in the Third Age segment as a whole, while the percentage of women in the Third Age novice group is much higher. This finding seems to suggest that perhaps the current climate and change in gender roles encourages older women to business ownership, while in the past, when most of the Third Age serial entrepreneurs started their first firms, few women could choose an entrepreneurial career for social and cultural reasons. However, the evidence presented here is still insufficient and further research is required to investigate this issue in more detail.

Thirdly, a comparison of the educational backgrounds of the three groups of entrepreneurs is displayed in Table 1. This comparison reveals that while Third Age novice entrepreneurs have the highest education level in terms of college, polytechnic and university degrees; more than a third of the Third Age serial entrepreneurs only possess secondary school level qualifications. A potential explanation for the latter has the same roots as for the low share of women in the Third Age serial entrepreneur category; the serial entrepreneurs may have started their first business at a young age at a time when having college or higher education degrees was not as common as it is today. Moreover, as entrepreneurially oriented people, the serial entrepreneurs might place less value on formal qualifications (Parker, 2004). Another possible explanation worthy of further research relates to the types of businesses founded by the Third Age novice entrepreneurs. In some professions, such as consultancy, law or medicine, it may be difficult to transfer into self-employment before a sufficient level of experience has been reached on top of the university degree, which may be a reason to postpone starting businesses until a later phase of the career. However, the data in this study do not allow this proposition to be examined properly, and thus an investigation of the impact of the occupational and career background on older entrepreneurship requires further research. Nevertheless, the data clearly demonstrate the difference between Third Age novice entrepreneurs and their serial entrepreneur counterparts in terms of their educational background, and puts Weber and Schaper's (2004) argument that older entrepreneurs are less likely to have post-secondary education into a new perspective: while the Third Age serial entrepreneurs are likely to have lower levels of post-secondary education, this does not apply to older individuals who start their first business.

4.2 Motivations for business start-up

The second part of the literature review examined the 'pull' and 'push' motivations behind the decision to start up in business at an older age. On a general level, the 'pull' and 'push' motivations are associated with the terms opportunity and necessity entrepreneurship used in the Global Entrepreneurship Monitor (Minniti et al., 2006). As with the Global Entrepreneurship Monitor survey, the data used in this study includes a seven-point Likert-scale measure of whether the respondent experienced the business start-up as a necessity or opportunity. A dichotomous variable indicating necessity (values from one to three on the seven-point scale) and opportunity (four to seven on the seven-point scale; four was included in this category in order to clearly highlight the reluctant entrepreneurs) was formed and a chi-square analysis was run with the three categories of entrepreneurs. The result indicates that 10.5% of the surveyed entrepreneurs felt that they started in business out of necessity, while there were no statistically significant differences between the three groups ($\chi^2 = 0.15$; df = 2; significance level = 0.928). The 10.5% necessity entrepreneurship figure is in keeping with the Global Entrepreneurship Monitor 2003 Finland results, which indicate that 10% of the Finnish Total Entrepreneurial Activity is necessity-driven (Arenius et al., 2004). Hence, there do not seem to be more Third Age reluctant entrepreneurs than there are necessity-driven entrepreneurs in general in Finland. This proposition is supported by the data indicating that less than five percent in the total Third Age sample had been unemployed for more than a year before starting the current business, unemployment or its threat being a major 'push' factor (Wennekers et al., 2001). Hence, it seems that older entrepreneurs in Finland are, in Singh and DeNoble's (2003) terms, more likely to be constrained or rational entrepreneurs becoming self-employed mainly due to pull factors, rather than reluctant entrepreneurs.

The more specific 'pull' and 'push' motivations driving older individuals to start up in business were explored by means of one-way between groups analysis of variance. The data contained four variables relevant to this paper, which are reasonably normally distributed and pass the Levene's test of homogeneity of variances. The four variables include two that can be classified as 'pull' motives and two that correspond to the definition of 'push' motives. The items and their means, standard deviations and the results of the analysis of variance tests are displayed in Table 2. The two 'pull' motives had clearly higher mean scores than the two 'push' motives for all three groups under consideration, which probably reflects the low share of necessity-driven entrepreneurship in the sample as discussed above. Statistically significant differences could be detected with respect to the 'pull' motives, while the between-group differences in terms of the 'push' motives were not significant. Despite reaching statistical significance, the actual differences in the mean scores of the 'pull' motives between the groups were rather small, as indicated by the small effect size (calculated using eta squared) of 0.01 for both variables (Cohen, 1988).

Table 2: 'Pull' and 'push' motives

	Prime Age			**Third Age novice**			**Third Age serial**			**Analysis of Variance Test**	
	No.	Mean	s.d.	No.	Mean	s.d.	No.	Mean	s.d.	F value	Sig.
Pull											
I wanted to earn more money[a]	699	4.36	1.99	74	3.69	1.99	58	4.09	1.96	4.150	0.016
I wanted to carry out my own ideas[b]	700	4.52	2.21	75	4.17	2.00	57	3.77	2.26	3.610	0.027
Push											
Unemployment or threat of redundancy	703	2.62	2.22	76	2.75	2.33	58	2.72	2.34	0.171	0.843
I wanted a less stressful job	696	2.92	2.00	75	3.24	2.16	57	3.00	2.08	0.888	0.412

[a] *Statistically significant difference between Third Age novice and Prime Age entrepreneurs at least at the .05 level.*

[b] *Statistically significant difference between Third Age serial and Prime Age entrepreneurs at least at the .05 level. The items refer to the question 'How did the following reasons affect your decision to found your current business?' The items were measured on a seven-point Likert scale. The table includes only respondents who had indicated an answer to the respective items.*

Post-hoc comparisons using the Tukey HSD test were performed for both 'pull' items. For the first item ('I wanted to earn more money'), the test indicated that the mean score for Prime Age (M=4.36) was significantly different from the Third Age novice score (M=3.69). Third Age serial entrepreneurs (M=4.09) did not differ significantly from either Third Age novice or Prime Age entrepreneurs. While the differences in the mean scores are rather small, the results suggest that younger entrepreneurs are more motivated by the earnings differential when switching to self-employment than their 50+ counterparts. Moreover, in terms of Singh and DeNoble's (2003) taxonomy, rational entrepreneurs seeking an increase in their income level do not seem to dominate the older entrepreneur segment, while money seems to matter even less to those older individuals who start up in business for the first time.

For the second item ('I wanted to carry out my own ideas'), the Tukey HSD test revealed a statistically significant difference between the mean scores for Prime Age (M=4.52) and Third Age serial (M=3.77) entrepreneurs. The mean score for the Third Age novice group (M=4.17) did not differ significantly from either Third Age serial or Prime Age entrepreneurs. Again, the differences in the mean scores are fairly small and the score for the Prime Age category is the highest. Interestingly, the Third Age serial entrepreneurs rank carrying out their own ideas lower than earning money, while the vice versa is true for the Third Age novice entrepreneurs. Even though this difference is not statistically significant, it casts doubt on MacMillan's (1986) argument of serial entrepreneurs being motivated by the excitement of the creation of new enterprises in the context of older entrepreneurship, and provides food for thought for future research: Do older serial entrepreneurs start businesses simply out of habit, for the need of earning money or keeping themselves busy, but with less enthusiasm and personal ambitions than their younger counterparts or the Third Age novice entrepreneurs? It might be useful to extend Singh and DeNoble's (2003) taxonomy, initially developed with early retirees in mind, by including serial entrepreneurs as a fourth older entrepreneur category. A more detailed empirical examination of this extended taxonomy is required in order to better understand the motivations leading older individuals to start up in business.

5 CONCLUSIONS

Older entrepreneurship is an under-researched area of growing importance. This paper responded to the need for more data on the older entrepreneur by comparing the characteristics and motivations of Third Age (50+ years) entrepreneurs with those of Prime Age (20-49 years) entrepreneurs in Finland. The focus was on older individuals who establish a new business when aged 50 or over, rather than on older owner-managers who might have started their business at a much younger age. A summary of the key results and their implications for further research is provided in the following.

Firstly, the results of the study enlighten the comparative rates of Prime Age and Third Age entrepreneurship in Finland. The results support the earlier findings from the UK context by showing that entrepreneurial activity rates in the Third Age segment are significantly lower than in the Prime Age cohort (Curran and Blackburn, 2001; Hart et al., 2004). Related to the respective proportion of the age cohorts in the Finnish population, the start-up rate of the Third Age segment was slightly less than half of the rate in the Prime Age group. Nevertheless, 16.0% of Finnish new businesses are started by individuals aged 50 or over which indicates that older entrepreneurship is not a marginal phenomenon. Therefore, the specific characteristics and requirements of the 50+ segment should not be ignored when formulating enterprise support policies or programmes (Kautonen et al., 2008).

Secondly, the analysis of the characteristics of older entrepreneurs revealed a number of findings that warrant attention in future research. Throughout the analysis, a distinction was made between Third Age novice and Third Age serial entrepreneurs. In line with previous research (Alsos and Kolvereid, 1999; Westhead and Wright, 1998), the results did not point to any differences in the quality of enterprises established by older serial and novice entrepreneurs in terms of firm size and turnover growth. Moreover, the differences in these terms between firms founded by Prime Age and ones started by Third Age entrepreneurs were not statistically significant.

Even though the removal of family obligations at an older age would suggest increasing entrepreneurial potential among older women, their share of the Third Age segment was in keeping with the general share of female entrepreneurs found in other studies (e.g., McClelland et al., 2005). However, the percentage of women was notably higher in the Third Age novice than in the Third Age serial category. Explanations related to cultural and social factors affecting the perceptions of the appropriateness of career aspirations for women of older generations were discussed (McKay, 2001), as were factors related to the educational and occupational background of older female entrepreneurs. This discussion should be continued in future research. How does the general population perceive the entrepreneurial potential of older women, and older people more generally, and how does this socio-

cultural perception affect the self-perception of older individuals in terms of their entrepreneurial intentions and capabilities? Besides gender, this question is related to the issue of cultural perception of old age and the capabilities of older individuals, raised by Weber and Schaper (2004), which is likely to differ between countries. Hence, cross-country comparisons would be particularly useful in future investigations.

Thirdly, the motivations leading to the decision to start up in business at an older age were explored in terms of 'pull' and 'push' factors as well as Singh and DeNoble's (2003) taxonomy of constrained, rational and reluctant older entrepreneurs. Based on the finding that only approximately 10% of the older entrepreneurs were driven to self-employment by necessity and that the 'push' motives received clearly lower mean scores than 'pull' motives, it can be concluded that reluctant older entrepreneurs are clearly in the minority in Finland. The result reflects the Finnish rate for necessity entrepreneurship in the Global Entrepreneurship Monitor, which is also 10% (Arenius et al., 2004). However, the relative shares of constrained and rational entrepreneurs are more difficult to estimate based on the data used in this study. Hence, the motivations leading to entrepreneurship at an older age need to be addressed in more detail in further research. In spite of the differences in mean scores being small, the results led to the proposition that perhaps Singh and DeNoble's (2003) categorisation of older entrepreneurs should be extended by including serial entrepreneurs as a further category. It would be interesting to examine in more detail how they differ from older novice entrepreneurs, as this could not be sufficiently addressed in the present study due to the limitations of the data. Moreover, researching older serial entrepreneurs could provide interesting data on how a long-term socialisation into the role of entrepreneur affects their motivations and behaviour.

Based on the preceding discussion, it is evident that more empirical research is required to improve our understanding of the phenomenon of older entrepreneurship. The findings presented in this paper and the questions and proposals formulated on that basis provide a number of ideas on how to proceed. Even though this paper provided preliminary evidence from the Finnish context, the findings cannot be generalised to other national contexts as such. Therefore, cross-country investigations would be imperative to generate information on older entrepreneurship for example at the EU level. The European Labour Force Survey dataset could be an appropriate starting point for such studies. Moreover, given the dynamic nature of entrepreneurship and the issues raised above, it seems that qualitative approaches such as narratives of older entrepreneurs (see e.g., Down, 2005) would be a useful next step to produce more detailed data on older entrepreneurs in order to enable researchers to formulate well-informed hypotheses for subsequent testing in survey studies.

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