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Business Founders Aged over 50 Years: between Necessity and Opportunity

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Zusammenfassung

Es wurden in drei deutschen Regionen Interviews mit Gründern über 50 Jahren durchgeführt. Die Daten dieser Regionen ergaben einen Überblick über die typischen deutschen Wirtschaftsstrukturen (Agrar- Industrie- und Dienstleistungssektor). Die Perspektive des Bankensektors, die Perspektive des Beratungssektors und die Perspektive der Seniorengründer selbst sind evaluiert worden. In den Interviews wurden Risikoneigung, Finanzierungsprobleme, Motivation, Selbstverwirklichung, Zeitmanagement, Hindernisse bei der Gründung sowie Gründungsmethoden und Innovationsfähigkeit älterer Gründer behandelt. Die Untersuchung zeigt die Vielfalt älterer Gründertypen und gibt Hinweise darauf, wie ältere Gründer unterstützt werden können.

Abstract

We have conducted a series of interviews in three German regions. The data from these regions provided an overview of typical economic structures in Germany (industrial, service, and agriculture regions). The bank perspective, the consultant perspective, and the founder perspective have been evaluated. The interviews concerned risk and insurance, financing, motivation and self-realization, satisfaction, time management, chances and obstacles, products, ideas, and sectors, red and blue ocean strategies, and founding methods. The investigation reveals a very large range of founder types and their special opportunities and problems and may indicate ways to promote the founding activities of the elderly.

Stichworte: Entrepreneurship, Senioren, ökonomische Grundbildung

JEL-Klassifikation: A20; J14; M14; Z1

1. Introduction and Background

The situation of senior entrepreneurs is not thoroughly discussed in literature. A first aspect is discussed by Croson and Minitti (2010) focusing on the autonomy of enterprisers. The European perception is described in several studies of the European Union and the OECD: Europäische Union/OECD (2016), Europäische Union/OECD (2015a), Europäische Union/OECD (2015b), Europäische Union/OECD (2013), the European Commission: Europäische Kommission. (2012); Europäische Kommission. (2003), the European parliamentary research service (Tymowski 2015), and generalizing studies (Pilkova, /Holiienka/Rehak 2014).

Dealing with the situation of senior entrepreneurs in Germany, there is a leaflet of the German Ministry of Economy and Energy (Hebestreit/Geisen 2016, Bundesministerium für Wirtschaft und Energie 2014), and there are a few studies focusing these aspects broadly (Fernández Sánchez 2016, Hundt/Sternberg 2014, Fernández Sánchez/Fandrey 2013, , Gün-terberg/Kohn/Niefert 2010, Nitschke 2010, Arndt 2009) Most of the studies are focusing on the situation of startups generally, especially on young enterprisers (Kollmann /Stöckmann/Hensellek/ Kenskock 2016, Müller /Murmann/Gottschalk 2016, Röhl 2016, Rip- sas/Tröger 2015, , Gottschalk/Kanzen/Licht/Müller/Niefert 2008).

2. Approach of the Study

In 2017 we have conducted a series of interviews in three German regions: in the city of Düsseldorf, North-Rhine Westphalia, the region around the city of Siegen, North-Rhine Westphalia, the region of Rhineland-Palatine around the city of Landau and the city of Kaiserslautern in Rhineland-Palatine. The data from these regions provided an overview of typical economic structures in Germany (agricultural, industrial and service regions). Three perspectives on senior enterprisers have been evaluated:

- the bank perspective,
- the consultant perspective,
- the founder perspective.

Partners were on the one hand financial institutions, and institutions engaged in cooperation, consulting, and service of enterprisers. The other counterparts were enterprisers aged over 50 years establishing an enterprise as a new chance in their lifetime.

The seven interviews with enterprisers consisted of two female enterprisers aged 70 respectively 72 years at the time of the interview taken. They and two of the male enterprisers, aged 52 respectively 69 years were enterprisers without partners or employees.

One male enterpriser implemented an outsourcing as management buyout with two partners, two enterprisers founded with employees, and one of them employs consultants aged over 70 years, the other one is a serial founder, planning to found his third enterprise at the age of 81 years after giving over his second enterprise to his daughter when he was at the age of 80 years.

3. The Perspective of Financial Institutions

The experts of regional financial institutions were interrogated about their assessment of enterprisers aged 50 years and above. All experts underlined that the group of start-ups aged 50 years and above is very limited.¹ Most of them emphasized to know only one or a few starters of these ages.

3.1. Risk and Insurance

Banks agreed that starting an enterprise at these ages is risky because of its limitation.² Four of the five institutions underlined that there are no special creditings for enterprisers of these ages.³ The banks emphasized that great ambitions are risky to start at these ages, because of the restrictions in insuring against these risks.⁴ Some banks put forward that starting a business aged 50 and above is connected with a risk premium.⁵ Most banks rate starting with 60 years and above very risky, whereas some banks also underline that people starting at these ages often want to teach their expertise and are not in fear of failing.⁶

Concerning reassurances all financial institutions emphasize the limitations of insurances for founders at these ages, because of the possibility to reassure risks is limited in higher ages.⁷ They emphasize that the risks are with the founders and focus on the risks of advance financing.

On the other hand some banks emphasized that the enterprisers starting business at these ages are settled and secure and don't need crediting.⁸ With new enterprisers of these ages banks take lifespan calculations and a business plan into account.

¹ For Germany the rate of founders at the age of 50 years or above was about 1%, being under the ratio of the European average of 2,2%. Eurostat (2002-2012). Europäische Union/OECD (2015 b).

² See to that effect Europäische Union/OECD (2013), p. 16.

³ Cf. also Europäische Union/OECD (2013), p. 20.

⁴ See to that effect Europäische Union/OECD (2015a).

⁵ The financial situation of founders is crucial, so the findings of a European study Eurostat (2014).

⁶ Cf. also Hundt/Sternberg(2014) p. 732.

⁷ See to that effect also Eurostat (2014).

⁸ Cf. Europäische Union/ OECD (2015a), p. 22. See also: Fernandez Sánchez/Fandrey (2013), p. 41. These founders have no need for subsidies as being suggested by Fernandez Sánchez/Fandrey, p. 24.

3.2. Motivation and Self-Realization

Concerning the motivations of enterprisers starting at the age 50 years and above all institutions named people in need for extra money, starting out of work at the dead end on job, or without job. Most of these people are looking for a life belt.⁹ Differentiating self-actualization banks name carrying out a life dream or a new product idea.

Addressing the self-realization on the job all financial institutions agree in the longing for success of the enterprisers of these ages. They also know about female enterprisers starting after years of caring for family members in one way or another.¹⁰ They emphasize that all starters want to be successful and underline the backing of family and friends. Most banks know of opportunity starters seeking demanding activities,¹¹ and characterize these starters as highly competent in soft skills and as risk averse.¹² They point out the efficiency of the enterprises and know about successful starters at the age of 50 years and above. Banks focus on the expertise of these enterprisers, their networking possibilities and their practical as well as financial expertise.¹³

3.3. Take overs

Some banks mention elderly with more expertise starting by business take over,¹⁴ and banks mention orderly take overs and courageous starters at the age of 50 and above.¹⁵

3.4. Time Management

Banks focus on time management of starters 50 years and above. Some point out starting step by step and starting on one's own or with partner¹⁶ and emphasize the limitation of the time horizon for the enterpriser, and see only a limited business relation.¹⁷

⁹ See to that effect also Hundt/Sternberg (2014) p. 725-728.

¹⁰ Concerning the aspect of a self-realisation on the job cf. Eurostat (2002-2012) and Europäische Union/OECD (2015a), p. 17.

¹¹ Cf. also Europäische Union/OECD (2015a), p. 17.

¹² Cf. also Eurostat (2002-2012), and Pilkova/Holienka/Rehak (2014), p. 525.

¹³ Focusing the European countries a study considers the financial situation of the founders as crucial (Eurostat 20002-2012).

¹⁴ A study in Great Britain mentions that 70% of the companies founded by senior entrepreneurs are still active after seven years. Pilkova/Holienka/Rehak (2014) p. 525.

¹⁵ Eurostat. Arbeitskräfteerhebung. 2002-2012. <http://dx.doi.org/10.1787/888933190990>; Pilkova/Holienka/Rehak (2014), S. 525.

¹⁶ Cf. also Europäische Kommission (2012), p. 354.

¹⁷ In Germany 60-70% of the companies founded by senior persons out of job were still active after 5 years. Cf. Europäische Union/OECD (2014), p. 212-213.

4. The Perspective of Consulting and Service Institutions

The institutions consulting and servicing founders in Germany are of various kinds. The Agentur für Arbeit is the German federal employment agency. The chambers of industry and commerce (CIC) are regional organizations with members of all businesses and all trades. The chambers of crafts (CC) are regional associations of all craftsmen. The other institutions interviewed are regional consulting agencies in public hands and promote small and medium-sized businesses.

The interviews show a variety of points of views concerning founders and enterprisers aged 50 years and older. The employment agency focused on the segment of academic employees. The CCs characterize the situation of craftsmen aging 47 years and above. The CICs accentuate both, the types of well situated founders and contrast them to founders in need of extra money to manage their subsistence. The regional consultancies also focus on both sides of foundation.

4.1. Financing

Regarding the aspect of financing most consultancies emphasize the need of financing by the way of crediting. All but one know precarious founders and enterprises. However, the agency of employment, the chambers of industry and commerce and the two consulting agencies point out that some founders are well situated because of severance payment or pensions.¹⁸

4.2. Motivation

Concerning the aspect “motivation to start an enterprise” the two chambers of crafts (CC) and the consultant agencies as well know about a lot of elderly craftsmen who lost their jobs and try to escape poverty by founding an enterprise. The agency of employment also reports that persons aged 50 years and above frequently lose their jobs due to staff reduction despite offering to reduce their claims.¹⁹ CICs know about dead end of jobs because of merger or staff reduction. These persons often change into consulting businesses. But CCs also describe lean firms and blank enterprisers who have been jobless beforehand.²⁰

CICs report about intrinsic motivated founders as opportunity founders with no lack of resources, and on the other hand extrinsic motivated founders in need of financing in the way of crediting. The agency for employment points out that there is no need for self-fulfillment

¹⁸ For the European Union Cf. Europäische Union/OECD (2015a), p.17; Europäische Union/OECD (2013) p. 16.

¹⁹ For the European Union cf. Eurostat (2002-2012).

²⁰ For the European situation cf. Eurostat (2014).

with academic founders at the ages of 50 years and above, because they change from high levelled jobs to become enterprisers.²¹

CICs emphasize that the generation 50 years and above is eager to work longer, and know about healthy and motivated senior citizens.²² The consultancies describe small and smart businesses, whose owners do not want to make a lot of money but want to realize a lifetime dream. They often use severance payments as seed capital. CCs point out the possibility to change the perspective and the eagerness to teach expertise and competence.²³ The Consultancies emphasize that these founders are eager to form concepts from visions.²⁴ Consultant Agencies emphasize that founders aged 60 years and above often are changing perspective, selecting a hobby for founding an enterprise or are starting something new.²⁵ These founders are in no need for advice, because they are very experienced.

4.3. Chances and Obstacles

CICs criticize the lack of culture to found an enterprise in Germany, because most people prefer the secure life in staffs with regular holidays, payment in times of illness and other gratifications. But CCs state that women aged 50 years and above more frequently found enterprises and act courageously, and the number of people founding aged 45 years and more has been constantly rising in Germany for many years.²⁶

CCs point out that craftsmen seek consulting late, and often are not well prepared for all aspects of founding an enterprise. In Germany now it is possible for craftsmen to found a crafts business without “Meisterprüfung” (master’s certificate) at the age of 47 years in many fields which is an easement for senior founders. However, CCs report that this leads to founding short time and lean firms.²⁷ CCs see short-time founders confronted with problems in advanced financing. CICs know about employees aged 47 years and above who try to establish an enterprise, but warn that the performance diminishes after being older than 50 years.

Consultancies remark that fragmentary vita often hinders to found successful enterprises because there are no new ideas but just the fourth or fifth copy of existing enterprises.

²¹ This is a general phenomenon: Fernandez Sanchéz/Fandrey (2013), p. 25-26; Nitschke (2010); Arndt (2009) p. 127.

²² This matches with European findings: Europäische Union/OECD (2013), p. 20.

²³ This is also stated by a European study: Europäische Union/OECD (2015b), p. 64; Nitschke (2013), p. 56; Arndt (2009), p. 127.

²⁴ For a general analysis of this aspect of motivation see Kollmann/Stöckmann (2016), p. 26.

²⁵ For the aspect of self-fulfillment cf. Pilkova/Holienka/Rehak (2014), p. 525, 529; Nitschke (2010).

²⁶ Kollmann, Tobias/Stöckmann, Christoph/Hensellek, Simon/Kenscock, Julia (2016),p. 26; Ripsas/Träger (2015), p. 23.

²⁷ See also Hundt/Sternberg (2014), p. 727-728.

4.4. Time Management

Concerning the aspect of time management organization CCs, CICs and consultant agencies focus on stress. For all of them the first three years of establishing an enterprise are crucial. They point out “self + permanent”, meaning that the enterpriser is on his or her own in the market, and must be present and active all the time.²⁸ This may constitute a problem for seniors. The problem is coinciding with the loss of physical and psychic strength.²⁹

4.5. Takeover

CCs and CICs state the need of business takeover. They emphasize the problem to find fitting successors, because of a cracking matching process. The wishes and the economic valuation of the enterprises differ extremely because the owners value the existing status while potential successors focus on the needed investments.

5. The Perspective of Founders Aged 50 Years and Above

The interviewed founders can be classified in two groups of age: four founders were aged between 50 – 69 years³⁰ and three founders were aged between 70 and 80 years, two of them women.³¹

5.1. Products, Ideas, and Sectors

The business areas of the interviewed founders are rather divers. They cover construction below ground with own machinery (Construction LTD), nuclear reprocessing (Freelancer) special flavor ice cream products. This founder still spends 80% of his working hours as an employee in his old firm and only 20% in his new own firm.

The other founders are more or less involved in the service sector: education, medical field, gastronomy, and real estate business. In detail, their trades are professional training (freelancer education), physiotherapy (freelancer), a founder of a real estate agency and a coffee shop owner.

5.2. Financing

Due to their financial situation when founding the enterprise there are two groups: the first

²⁸ Cf. also Europäische Union/OECD (2015a), p. 20-22.

²⁹ Cf. also Pilkova/Holienka/Rehak (2014), p. 525.

³⁰ The founder of ice cream products, the founder of construction business and freelancer II (nuclear processing).

³¹ The founder of a real estate agency, the physiotherapist, and the owner of a coffee shop.

group is well situated and settled,³² the second group needed financing by the way of crediting.³³

The physiotherapist is an extra case; although borrowing no money to start her enterprise, she was in need to earn extra money to pay her living. Having worked as staff in the enterprise of her former husband, she had made no provisions for seniority.³⁴

The founder of ice cream products would be better off with extra subsidies, but these are usually limited for founding a start-up, and may not be used for staff. Indeed this founder wasn't willing to make his financial situation transparent to financial institutions.³⁵

The founder of construction business and his partners were in need for financing by crediting, and they experienced different strategies of banks, their principal bank making the best proposal.³⁶

The founder of Real Estate agency needed financing by crediting when expanding his enterprise. He had no difficulties because of his securities.³⁷ With Freelancer I (training) and Freelancer II (nuclear reprocessing) no credits were needed because they didn't have noteworthy investment. Freelancer I practices indoor seminars, and freelancer II, a highly skilled scientist, is working with his former employer as a freelancer. Both are using red ocean strategies because they work as freelancers in their former occupation.³⁸ The founder and owner of a coffee shop needed no credits because she could finance her business with own resources.³⁹

5.3. Motivation

Three founders were extrinsically motivated. The founder of a construction business and his partners were extrinsically motivated, because their former employer wanted to outsource parts of the company. They decided to risk a management buy out to keep staff and workers.⁴⁰ The physiotherapist needed to earn money to pay her living, and a hospital

³² The founder of ice cream products, freelancer I (training), the physiotherapist, the owner of a coffee shop, and freelancer II (nuclear processing). For a European rating see: Europäische Union/OECD (eds.) (2015a); Fernandez Sánchez/Fandrey (2013), p. 41.

³³ Founder of construction business, founder of real estate agency; for this aspect see also Eurostat (2014).

³⁴ A definition of founding out of necessity is given by Hundt/Sternberg (2014), p. 727.

³⁵ This is seen in literature as fright of failure. Nitschke (2010), p. 46.

³⁶ This is underlined by the financial institutions, which point out that they are giving better assignments to related customers.

³⁷ The financial institutions stated that they do not get in touch with founders, because they are not in need for credits.

³⁸ See also: Chia (2011), p. 182-198.

³⁹ The owner of a coffee shop rates for herself her project as successful; cf. in this regard Herkner, Werner. 2001. *Lehrbuch der Sozialpsychologie*. Bern, p. 35; Festinger, Leon (1957) *A theory of cognitive dissonance*, Stanford, Calif.

⁴⁰ Cf. also: Europäische Union/ OECD (Ed.) (2013): *Policy Brief on Senior Entrepreneurship*. Entrepreneurial Activities in Europe.

looked for a therapist.⁴¹ Freelancer II (nuclear reprocessing) was asked by his former employer to stay as a freelancer after his retirement.⁴² These three as well as the other four point out that they want to work as long as possible.

The serial founder of Real Estate agency is solely intrinsic motivated because he is in no need for money and founds his enterprises with view of the future and happiness to work.⁴³ The founder of ice cream products did not want to be occupied with the same work till his retirement and chose to found a company selling ice cream of the tastes wine and apple juice.⁴⁴ The founder and owner of a coffee shop lived a dream and opened a vegan café.⁴⁵ Freelancer I needed a brief hint to realize his opportunity to found a consulting company for high level training in his old field of work (electrical engineering) after his retirement.⁴⁶ „I was bored. My whole life I used my intellect, and suddenly not anymore.“ All founders changed perspective and risked something new, but moderately, because they wanted to stay an active part of economic society.⁴⁷

For this purpose they chose to be their own masters.⁴⁸ All of the founders but the physiotherapist have family backing. The founder of Real Estates agency handed over his company to his daughter, and the founder and owner of a coffee shop is glad that her husband is working in the background.⁴⁹ While Freelancer II (nuclear engineer) stated that he will retire at the age of 70 years.

5.4. Founding Methods

The process of setting up a business was grounded with business plans by the founder of construction business and freelancer I, by the canvas method by the founder of ice cream

⁴¹ The physiotherapist is not seen as a “looser” by her social context, because she is earning money and the clubs are lending her rooms and equipment. She is giving courses on an honorable basis. See generally: Nitschke, Anne. (2010), p. 58-59.

⁴² Concerning cases like this see also Chia, R. (2011): complex thinking: toward an oblique strategy with the complex. In: Allen, P. /Maquire, S. /McKelvey, B. (ed.): the Sage handbook of complexity and management. London, p. 182-198.

⁴³ He is intrinsically motivated and changed to gain new autonomy. Croson, David C. /Minniti, Maria (2010). Slipping the surly bonds: the value of autonomy in self-employment. SMU Cox School of business working paper. Mimeo. www.sciencedirect.com/science/article/pii/S0167487011000808. p. 15-19.

⁴⁴ The founder of ice cream products made a deal with his employer to find a new life-work-balance. See also Croson/Minitti (2010), p. 19, Although this study doesn't focus on retirement ages.

⁴⁵ The owner of a coffee shop moved to her grandchildren to help them settle their lives, before she founded her café.

⁴⁶ Freelancer I (training) had a dissolution contract with his former employer.

⁴⁷ Walter, Sascha G./Walter Achim (2009), p. 71; Stewart, Wayne H./Roth, Philip L. (), p. 414; Collins Christopher J./Hanges, Paul J. Locke, Edwin A. (2004)p. 101; Handemark, Ove C. (2003), p. 302; Mc Clelland, David C. (1966), p. 204.

⁴⁸ This was said explicitly by the founder of ice cream products and the physiotherapist.

⁴⁹ The founder of real estate agency made his wife part of the company, while the owner of a coffee shop just takes the helping hand of her husband for granted.

products. The founder of Real Estate agency stated that his knowledge acquired during his first career was of help to him. The founder and owner of a coffee shop needed a hygiene certificate and a seminar at the CIC to found her vegan café. The physiotherapist and freelancer II (nuclear processing) didn't need plans, because she came into business gradually⁵⁰, and he was engaged as freelancer by his former employer.⁵¹

5.5. Time Management

Time management is described by the founder and owner of a coffee shop and the founder of ice cream products. In her vegan café she is working 14-16 hours and hopes to reduce to 11-12 hours after engaging staff.⁵² The founder of ice cream products is working 80% for his employer and 20% as his own master.⁵³ Freelancer II (nuclear reprocessing) is working 95% in the enterprise and 5% at home.⁵⁴ The other founders have given no exact description of the time spending in their companies. The founder of construction business was flexible in his first career and is now as engaged as he was before.⁵⁵ Freelancer I (training) stated that he is free to accept or deny an assignment, but surely sticks to his commitments.⁵⁶ The physiotherapist just works enough to earn her living and adds volunteer work for sport clubs to have fun. The sports clubs let her use their rooms and equipment, and so she pays back giving the sport seminars for the clubs.⁵⁷ The founder of Real Estate agency described that the head of a company may come to work at 10 o'clock although this doesn't work out when the company is expanding, but construction business and freelancer I (training) have not given detailed information about their time spent in business, but freelancer I said, that he has enough work for himself and the two other consultants in his business.⁵⁸

5.6. Satisfaction

All the founders are content with their situation. The founder of a construction business had been working for over 30 years in the former company and is now continuing successful

⁵⁰ Fernández Sánchez/Fandrey (2013), p. 42.

⁵¹ The founders seek as much consultation as necessary and resort to their lifetime experience and competences. See also: Tymowski, Jan (2015): European year for active ageing and solidarity between the generations (2012) In: European parliamentary research service (Ed.): In depth analysis. Brüssel.

⁵² The owner of a coffee shop chose autonomy after spending time for her grandchildren during retirement. Cf. generally: Fernández Sánchez/Fandrey (2013), p. 41.

⁵³ The aspect of gradually changing from first career to an own business is known by Sparkasse Landau and Sparkasse Siegen.

⁵⁴ Freelancer II (nuclear processing) found an arrangement with his former employer. See also: Croson/Minitti (2010), S. 16.

⁵⁵ The founder of construction business was flexible and autonomous during his first career, he and his partners wanted to continue a successful project and safeguard jobs. Cf. generally: Croson/Minitti (2010), p. 15-16; Ripsas/Tröger (2015), p. 28.

⁵⁶ See also Croson/Minitti (2010), p. 15-16.

⁵⁷ The physiotherapist made arrangements with different sport clubs. See also Croson/Minitti (2010), p. 19.

⁵⁸ Cf.: Eurostat. Arbeitskräfteerhebung. 2002-2012. <http://dx.doi.org/10.1787/888933190939>.

proceedings with his two partners.⁵⁹ The founder of Real Estate agency knows when to quit a project, because he did so with his first company. He wanted to build and sell houses and realized his lack of expertise in this field. He switched to selling and renting houses and flats, and was successful in this field. He handed over the business to his daughter and is now planning to open a gallery.⁶⁰ The two freelancers are content to perpetuate their knowledge in seminars and in the former company. The physiotherapist is happy that she is her own master, but is able as well to give honorary courses for sport clubs. The founder and owner of a coffee shop is living her lifetime dream and wants to work as long as possible.

5.7. Red and Blue Ocean Strategies

Only two founders have launched a new product on the market. The founder of ice cream products is creating an ice cream tasting of wine and apple juice that he has invented years ago, and the founder and owner of a coffee shop is running a vegan café.

The founder of construction business is running a part of the former company with his two partners being full-service providers in construction below ground with own machines and garage. The founder of Real Estate agency quitted his first company because of his lack of expertise, switched to selling and renting houses and flats, until he gave it over to his daughter, and now is on the way of opening a gallery. Being a manager in the clothing business in his first career, he chose different fields for his companies. The two freelancer chose fields of their former careers to pursue their expertise and knowledge. The physiotherapist gave honorary courses for sport clubs and now earns her living working for a hospital and clients.

6. Conclusion and Policy Implications

There is a wide range of business founders in the age of 50+. The 60 year old former single mother with a patchwork employment biography and no financial reserves and no property ownership – a typical “necessity case” – has got her special obstacles and difficulties as a business founder. The engineer founding a consulting firm after his retirement to fulfill an old dream or to pursue a new business idea, an “opportunity case”, often is a homeowner. He uses his house for his office premises – after all the nurseries are vacant - and as a loan collateral.

⁵⁹ See also Croson/Minitti (2010), p. 15-16; Ripsas/Tröger (2015), p. 28.

⁶⁰ In this case the handing over to the next generation took place smoothly, and was no problem as the CCs in Düsseldorf and Kaiserslautern stated.

Obviously the latter does not need much help, but the former will e.g. have difficulties to borrow money from a bank. Banks are today much more willing to lend seniors money than in former times, but usually they demand for some kind of collateral, and conditions may worsen in a stage of capital shortage, when interest rates will rise again and bank's interest to borrow is no longer as warm as today. But also the opportunity founder may encounter obstacles if he has got high capital requirements as banks often have limits for loans for seniors.

The number of senior citizens will rise in the next years, and so will the number of business founders in the age of over 50 or 60 years, especially of "necessity founders" suffering from old age poverty. Also the rising number of "opportunity founders" face obstacles, and, perhaps more important, these founders make a substantial contribution for the welfare of society as innovators and job creators.

Government policies should take account of this future developments and provide support and assistance. This implies to consider all factors and characteristics of senior founders. Especially in Germany there is a lack of statistical knowledge about senior founders, and the academic discipline of "entrepreneurial demographics" is in its infancy. So further efforts in empirical research for evidence based policies in this field are necessary.

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