

## **N8 Research Partnership**

**The impacts of demographic change in the  
functional economies of the North of England**

### **Final Report, Strand 3: Economic Implications of the North's Dynamic Population**

*Tom Cannon* University of Liverpool  
*Kasia Kurowska* Newcastle University



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**Economic Implications of the North's dynamic population**

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## About the N8

The N8 is a group of the eight most research intensive universities in the North — Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York. All N8 universities are ranked in the top 200 of the World University Rankings. Combined, the N8 universities have 125 “top 10” subject rankings in the UK (RAE 2008).

The N8 partnership was created in 2007, establishing virtual research centres in Regenerative Medicine and Molecular Engineering. It was a novel way of creating a confluence of research assets and capabilities across the partnership, with sufficient scale and critical mass, to move on broader industrial and commercial opportunities.

The initial collaborations were focused on areas of scientific and technological research. This project marks the first venture for an N8 collaboration into the social sciences. The multi disciplinary research team which delivered this work combines economists, geographers, labour market, healthcare and housing experts from across the N8 Universities.

## About the Northern Way

The Northern Way was a unique initiative, bringing together partners across the North of England from public, private and other sectors to work together to improve the economic performance of the North.

Created in 2004, the Northern Way conducted ground-breaking policy research in innovation, private investment and transport, and produced a wide-ranging economic evidence base on other issues facing the North ranging from the impact of long term global challenges on the North, through to strategies to address local deprivation.

As a result of the Government decision to close the Regional Development Agencies by March 2012, funding for The Northern Way ceased on 31st March 2011, at which point the initiative closed.

However, to ensure that the important research and intelligence produced by the Northern Way is not lost, the website remains available at [www.thenorthernway.co.uk](http://www.thenorthernway.co.uk). The website enables public access to the various research reports and further information regarding the work of the initiative.

## **Contents**

	<b>Page</b>
<b>Contents</b>	<b>iii</b>
<b>List of Figures</b>	<b>iv</b>
<b>List of Tables</b>	<b>v</b>
<b>Summary</b>	<b>1</b>
<b>Aims</b>	<b>3</b>
<b>The Challenges</b>	<b>4</b>
<b>The entrepreneurial challenge</b>	<b>4</b>
<b>List of Tables</b>	<b>v</b>
<b>An ageing north</b>	<b>6</b>
<b>Dependence on jobs in the public sector</b>	<b>8</b>
<b>The challenge</b>	<b>10</b>
<b>Policy context</b>	<b>10</b>
<b>Literature review</b>	<b>11</b>
<b>An enterprising solution</b>	<b>12</b>
<b>Performance</b>	<b>19</b>
<b>The public sector dimension</b>	<b>23</b>
<b>Methodology</b>	<b>24</b>
<b>Research questions and results</b>	<b>26</b>
<b>The stock of businesses in the North operated by ‘over 50s’</b>	<b>29</b>
<b>Opportunities for new and existing businesses</b>	<b>47</b>
<b>Entrepreneurs from the Public Sector</b>	<b>47</b>
<b>Key conclusions and policy implications</b>	<b>50</b>
<b>Case Studies</b>	<b>52</b>
<b>Scope and purpose of report</b>	<b>52</b>
<b>The Cases</b>	<b>54</b>
<b>The North East Programme Report (Kasia Kurowska, University of Newcastle)</b>	<b>72</b>

## List of Figures

Figure 1:	Population age profiles Northern Way regions 2006 and 2031	8
Figure 2:	Public sector employment Q1 2010 — not seasonally adjusted	8
Figure 3:	The opportunity matrix	11
Figure 4:	Employment rates by age in Great Britain	11
Figure 5:	Economic activity rates over time	12
Figure 6:	Reasons for preferring employment to self-employment (EU27) — all versus aged 55+	18
Figure 7:	Share of older entrepreneurs in the economically active population	19
Figure 8:	Percent self employed by age cohort (USA)	19
Figure 9:	Opportunity and necessity entrepreneurship internationally (2004)	20
Figure 10:	2008 US entrepreneurial prevalence rates by age group	22
Figure 11:	Peak ages for entrepreneurship	28
Figure 12:	Self employment over time and by age	33
Figure 13:	Self-employment by business sector	34
Figure 15:	Total entrepreneurial activity in the UK	35
Figure 16:	Total entrepreneurial activity across the UK regions	36
Figure 17:	Sectoral analysis of self-employed women	42
Figure 18:	Global patterns of ageing	45
Figure 19:	Business opportunities and cost of entry	47

## List of Tables

Table 1:	VAT registrations by English regions	5
Table 2:	Stock of VAT registered businesses by English regions	5
Table 3:	Stock of businesses	6
Table 4:	Population distribution within English regions by age	7
Table 5:	Economic activity rates by age UK regions 2009	7
Table 6:	The North's dependence on public sector jobs	9
Table 7:	The current private sector's capacity to fill the gap	9
Table 8:	Share of unincorporated and incorporated businesses owned and controlled by the over 50s 2003 and 2009	15
Table 9:	Attitudes to self employment	17
Table 10:	Entrepreneurial experiences	27
Table 11:	Know someone who owns or manages a business	27
Table 12:	Older respondents know someone who owns or manages a business	27
Table 13:	VAT Registration and the stock of VAT registered businesses end 2007 (ONS)	30
Table 14:	Business demography dataset (ONS)	31
Table 15:	Economic activity by age	32
Table 16:	Routes to business creation and self employment	36
Table 17:	Patterns of entrepreneurial aspiration	37
Table 18:	Preference vs feasibility (North)	38
Table 19:	Preference V feasibility (EU 27)	38
Table 20:	Suppose you could choose between different kinds of jobs, which would you prefer?	39
Table 21:	Among those who have 'recently' started or who are in the process of starting a business	39
Table 22:	Differences within the 'over 50s' populations	41
Table 23:	BME Entrepreneurship by age in the NW England	43
Table 24:	University research centres in the N8 universities focusing on the sciences and technologies of ageing	44
Table 25:	Assisted living business opportunities	46
Table 26:	Scientific and technological platforms in the N8 universities	47



## Summary

At the heart of this element in the overall study is a simple to state but difficult to address proposition. This is that in tackling its demographic challenge, the North of England overall and the three regions that make up the North face three inter-related challenges that cannot easily be separated from this overall issue.

First, the North has historically and currently low rates of business formation and the relatively small stock of small and medium sized independent businesses across the three regions. Second there is the demographic challenge of an ageing population itself. Third, and of increasing importance, is the dependence of the North on employment in the public sector. The ability to address all three effectively (or not) will largely determine the economic future of the Region(s) over the next decade or more.

In addressing these challenges there are positives and negatives. The positives include;

- The strength of the Higher Education's work in addressing demographic change,
- The direct relevance of this work to issues faced not only in the North but across the world,
- The growing rates of self-employment and business formation especially in the North West,
- The positive attitudes to self-employment and business creation especially among non-traditional groups like women,
- The relative affluence of key senior communities and their ability to create local market and the (surprising) degree of interest in self-employment and business creation among those currently in the public sector.

The negatives, however, are equally significant. At the heart of these are the low rates of business formation and the relatively small stock of small and medium sized independent businesses. Most of the available evidence suggests that enterprise flourishes in entrepreneurial environments where role models, peer groups, networks and appropriate skills exist. The relative weakness of the small and medium sized (SME) sector is not counter-balanced by strong large firms with an interest in the sector.

The major University based centres seem more likely to be backed by major international firms than the North's leading companies. Even the apparent interest in self-employment among people in the public sector is counter-balanced by risk and an apparent reluctance to invest for growing businesses.

The scale of the challenge and the opportunity seems to require a level of region-wide co-ordination that may be harder with the demise of the RDAs. This reinforces the potential value of the collaboration between the N8 University and, especially important, better bridges between the medical, scientific and technology communities in the Universities and the social, economic and business groups within and beyond their institutions.

There should, however, be no doubt about the scale of the economic opportunity. In the North alone there are just 4 million people in the age range 50-74 with a annual discretionary purchasing power (after taxes, mortgages or rents) of over £1.5bn annually with the younger (50-64) age group accounting for over 70% of that spend.

These groups are already the biggest purchasers of toys, non-business travel, personal services. They spend more per capita on food and drink. They are the heaviest users of museums and galleries and the theatre. They have more leisure time. They eat out more often and are the fastest growing users of computers and new information technologies. They are twice as likely to own their own their own home than the rest of the population.

All besides being the biggest spenders on healthcare and over-the-counter drugs. Some estimates suggest that although this group accounts for just over a quarter of the Region's population, it accounts for around 70% of the total personal wealth (including property).

Many of the goods and services they require can be met locally but success can create national and international markets. This is reflected in the types of businesses created by existing silver, senior or third age entrepreneurs. The demand exists while local supply is emerging. Equally important, potential new business creators can emerge from the public sector. Significant numbers especially in the managerial and senior officers, skilled trades and personal service occupations seem to have the interest, capabilities and networks to create businesses to cater to these and other opportunities.

One of the most striking features of this analysis lies in the percentage of women would described their ventures (even if self-employed) as social enterprises – around 45%.

There are regional differences with, for example, the North West (especially in South Manchester) seeing significant improvements in the business base and the North East generally less responsive. Diversity within the North Regions is, in some ways, more significant than between Regions. Areas like Calderdale, Cumbria, Northumberland and Blackburn with Darwen can outperform apparently more advantaged areas. In part, this reflects rural/urban differences in self-employment but often it reflects policy decisions at a local or regional level. The development of the tourism economy and 'lifestyle' industries in Calderdale is, for example, a result of action by both the RDA and the local authority. Equally, Blackburn with Darwen shows that investment in tailored facilities e.g. business parks has delivered tangible returns.

## Aims

This strand within the wider study of the impacts of demographic change in the functional economies of the North of England brings the University of Liverpool and the University of Newcastle together to:

- Explore the impact of demographic change on:
  - The stock of businesses;
  - New firm formation rates;
  - The profile of businesses as they emerge
  - The needs of businesses shaped or affected by demographic change.
- In this strand, particular attention will be paid to the ways these trends and impacts have:
  - On the North of England compared with other parts of the UK, (and)
  - Across the North especially any spatial differentiations that emerge,
  - On policy.

## The Challenges

In addressing this topic within the wider study, this project focuses on three genuine challenges facing the North of England overall and the three regions that make up the North. First, there are historically and currently low rates of business formation and a relatively small stock of small and medium sized independent businesses across the three regions. Second there is the demographic challenge of an ageing population. Third, and of increasing importance, is the dependence of the North on employment in the public sector.

### The entrepreneurial challenge

The original *North Way Economic Strategy*<sup>1</sup> acknowledged the entrepreneurial challenge, first in noting that:

*“Business birth rates in the North are much lower than in the rest of the UK (37 per 10,000 all people in the UK as a whole). In the North East, they are just over half the national rate.”*

The same document<sup>2</sup> went on to note that the stock of existing businesses was small in comparison with other regions of England:

*“The three northern regions have the fewest firms per capita in England. To match the national per capita average, the North would need to create or attract over 93,000 more VAT registered firms.”*

Progress has been made in tackling both these challenges with the number of VAT registrations<sup>3</sup> per 10,000 of the economically active population improving both absolutely and relative to some other Regions of England. The VAT Registrations increased from 38 per 10,000 of the economically active in the North East in 2004 to 47 per 10,000 in 2007, while the rates for the North West and Yorkshire grew from 56 to 63 per 10,000 and 54 to 57 per 10,000 economically active over the same period.

The North West overtook two non-Northern Regions — the East and West Midlands for VAT registrations per 10,000 of the economically active population in 2007.

<sup>1</sup> Northern Way (2004) Moving Forward, The Northern Way Northern Way, Newcastle p25.

<sup>2</sup> Northern Way (2004) *ibid* p25.

<sup>3</sup> VAT registrations are used here as a comparator with the figures quoted in the Northern Strategy. It should, however, be noted that ONS statistical analysis now uses a broader Business Demographics approach to measuring business creation and the stock of businesses.

**Table 1: VAT registrations by English regions**

Area	VAT Registrations per 10,000 economically active population			
	2004	2005	2006	2007
England	65	64	63	71
North East	38	39	38	47
North West	56	55	55	63
Yorkshire and the Humber	54	52	51	57
East Midlands	58	56	56	60
West Midlands	59	58	58	61
East	64	65	62	69
London	94	92	91	107
South East	70	68	68	75
South West	63	62	61	66

Source: BERR Enterprise Directorate, ONS

Inevitably, changes in the stock of businesses take longer but even here some progress can be seen.

**Table 2: Stock of VAT registered businesses by English regions**

Area	Stock of VAT registered businesses at Year end per 10,000 economically active population			
	2004	2005	2006	2007
England	655	662	669	683
North East	402	408	409	428
North West	557	567	574	592
Yorkshire and the Humber	555	555	563	573
East Midlands	609	605	615	626
West Midlands	616	630	636	647
East	690	701	711	717
London	790	797	804	831
South East	722	729	738	753
South West	727	735	734	743

Source: BERR Enterprise Directorate, ONS

Despite this progress, the North continues to be a laggard in terms of both business formation and the stock of businesses when compared to England as a whole and the more dynamic Regions of the country.

This is illustrated using the wider Business Demographics Data Base for 2009. Yorkshire and The Humber and the North East are the worst performing parts of England for start-up while the three Northern Regions make up three of the four worst performing regions in terms of

total stock of businesses. The North as a whole has significantly lower rates of business formation and a smaller stock of business than England as a whole.

**Table 3: Stock of businesses**

Area	Start-Ups per 10000 of Economically Active	Stock per 10000 of Economically Active
England	82	797
East	82	829
East Midlands	67	711
London	126	1004
North East	54	516
North West	73	717
South East	85	884
South West	70	806
West Midlands	71	741
Yorkshire and Humberside	66	649

Source: ONS Business Demography Dataset 2009 © Crown Copyright

### An ageing north

Peter Boden and Phil Rees' Report *Demographic Change and its Impact upon The Northern Regions*<sup>4</sup> highlights the scale of change in the age profile of the North's population.

*"The Northern Way regions enter the second decade of the 21st century, they can look back on 100 years of population ageing (though muted in the past 20 years)."*

The Northern Regions broadly reflect the overall pattern for England, without the significantly higher number of older people in their populations seen in the East and the South West but lacking the younger age profile seen in London and the South East

The real challenge is, however, vividly illustrated when the differences in levels of economic activity among older age groups are examined.

This data from Boden, P and Rees, P (2010) shows that for men, the three Northern Regions have the lowest levels of economic activity in England among older age groups, while for women these regions account for three of the worst 5 regions of England among 50- 59 year olds and the three lowest among over 60s.

<sup>4</sup> Boden, P and Rees, P (2010) *Demographic Change and its Impact upon The Northern Regions*, Centre for Urban and Regional Development Studies (CURDS) at the University of Newcastle.

The same study highlights the extent to which the economic challenges facing the Northern Regions are likely to worsen over time as the age profile of the populations shifts more strongly to older age groups over the next twenty years.

**Table 4: Population distribution within English regions by age**

	Children 0-15 %	Working Age (16-64M) (16-60F) %	Older People (65+M) 60+F) %
England	19	63	18
North East	18	62	20
Northwest	19	62	20
Yorkshire and the Humber	18	62	20
East Midlands	18	62	20
West Midlands	19	61	20
East	19	61	21
London	19	67	14
Inner London	18	71	11
Outer London	20	64	16
South East	20	61	19
Southwest	18	60	23

Source: ONS Annual Population Survey

**Table 5: Economic activity rates by age UK regions 2009**

Males	Economic Activity Rate		Females	Economic Activity Rate	
	Age 50-64 Ranked %	Age 65+ %		Age 50-59 Ranked %	Age 60+ %
South-East	82.0	12.6	South-West	77.0	13.8
East	80.0	12.2	South-East	77.0	15.1
South-West	80.0	12.4	East	77.0	13.7
W Midlands	76.0	9.1	E Midlands	74.0	10.7
London	76.0	12.1	Scotland	73.0	11.4
E Midlands	76.0	11.1	UK	72.0	12.5
UK	76.0	10.4	Yorks & Humber	72.0	11.4
Scotland	75.0	8.6	W Midlands	71.0	11.7
Yorks & Humber	73.0	8.1	N West	69.0	11.2
N West	71.0	8.9	London	69.0	15.2
Wales	69.0	9.1	N East	68.0	9.0
N East	69.0	7.1	Wales	67.0	11.0
N Ireland	64.0	10.0	N Ireland	56.0	8.8

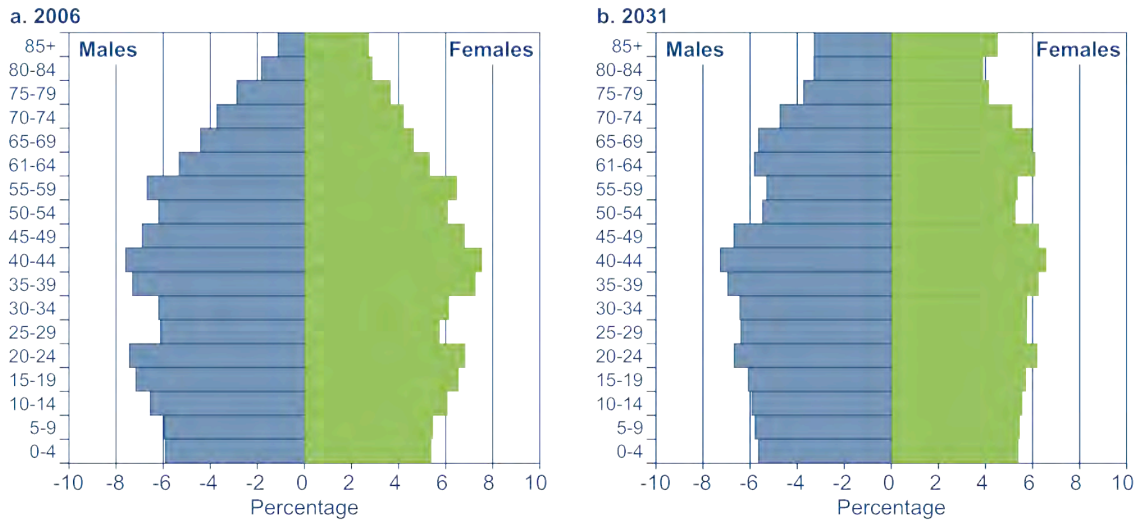
Source: Annual Population Survey, March 2009

The 65+ age group in 2031 will “account for 20% of the male population and 24% of the female population in 2031, compared to 14% and 18% in 2006.” (Boden, P and Rees, P 2010).

## Dependence on jobs in the public sector

This gap in performance allied to an ageing population gains extra significance in an environment in which policy makers are seeking a significant switch in economic activity and employment from the public sector to the private sector.

**Figure 1: Population age profiles Northern Way regions 2006 and 2031**



Source: ONS Population Estimates and Population Projections

**Figure 2: Public sector employment Q1 2010 — not seasonally adjusted**



Source: Mathews, D (2011) Regional Analysis of Public Sector Employment 2010, ONS, London

The North, especially the North East, is currently more dependent on public sector jobs than any other part of England, with the three Northern Regions more dependent on jobs in the public sector than any other parts of England.

The picture is even more stark if the ratio of private to public sector jobs is reviewed. London for example, has five times as many private as public sector jobs while the North East has less than three times as many private sector jobs.

**Table 6: The North’s dependence on public sector jobs**

Area	Public Sector Employment of all 16-64 in Employment %
England	21
North East	26
North West	23
Yorkshire and The Humber	23
East Midlands	19
West Midlands	22
East	17
London	21
South East	17
South West	22

Source: ONS, *Public Sector Employment Statistical Bulletin*

**Table 7: The current private sector’s capacity to fill the gap**

Region	Ratio of Private to Public Sector Jobs
North East	2.8
Yorkshire and The Humber	3.6
North West	3.5
South West	4.1
West Midlands	3.9
East Midlands	4.6
East	5.0
South East	4.8
London	3.8

Source: ONS: *Annual Business Inquiry*

At a city level the picture is broadly the same, with the Centre for Cities estimating that five of the worst affected (by public sector job cuts) cities in the UK are in the North — Liverpool, Middlesbrough, Newcastle, Sunderland and Hull.

This should not be surprising as the three Boroughs with the highest share of public sector employment in the UK are in the North, Castle Morpeth (53%), Wansbeck (48%) and Durham (46%). Local Futures estimates that Leeds, Manchester, Sheffield, Liverpool and Newcastle upon Tyne will lose around 35,000 public sector jobs over the next five years.<sup>5</sup>

<sup>5</sup> Local Futures (2010) *Public Sector Cuts Barometer*, The Local Future Group, London.

## The challenge

It is how the North responds to this mixture of a relatively small business community, an ageing population and dependence on public sector jobs that will, to a considerable extent, determine the economic performance, levels of prosperity and wider economic success of the North over the next decade or more.

The next part of the paper focuses on both the challenges and the opportunities. The latter is especially important as there is little doubt that responding to demographic change will create as many opportunities as difficulties.

This balance of opportunity and challenge largely reflects issues that are not only local to the North, England and the UK issues but the global nature of these changes. Much of the developed and developing world finds the shape of its population adapting to improved health, better nutrition and ageing populations.

The US National Institute on Ageing estimates that the average age of the world's population is increasing at an unprecedented rate. The number of people worldwide age 65 and older is estimated at 506 million as of midyear 2008; by 2040, that number will hit 1.3 billion.

In just over 30 years, the proportion of older people will double from 7 percent to 14 percent of the total world population, with the most rapid increases in the older population in the developing world. The 65-and-older population in China and India alone numbered 166 million in 2008, and is predicted to grow to 551 million in 2040 (329 million in China and 222 million in India).

## Policy context

Each of these issues; the relatively weak business base, an ageing population and dependence on the public sector for jobs poses a major challenge to policy makers especially when the economy is sluggish and resources are limited. In combination they create either the greatest barrier to economic growth or the greatest opportunity for restructuring the North's economy.

An ageing population will create a host of new business opportunities locally, nationally and globally. The challenge lies in exploiting these opportunities through either new firm creation or the growth or development of existing businesses.

In the past, those best able to capitalize on new business opportunities have been those close — either physically or psychologically — to the opportunity, with the access (to appropriate technologies or materials), resources, capabilities, competences and the desire to realize the potential of emerging markets.

Superficially, many of those exiting the public sector in the North among the older age groups have or can access these technologies or materials, resources, capabilities and skills. They are likely to have access to financial assets, relatively high levels of educational attainment, good networks, managerial experience and organizational skills. A key issue and policy challenge is whether these or others in the North have the entrepreneurial competences and desire to realise the potential of emerging markets.

The opportunity environment can be analysed in term of the matrix below.

**Figure 3: The opportunity matrix**

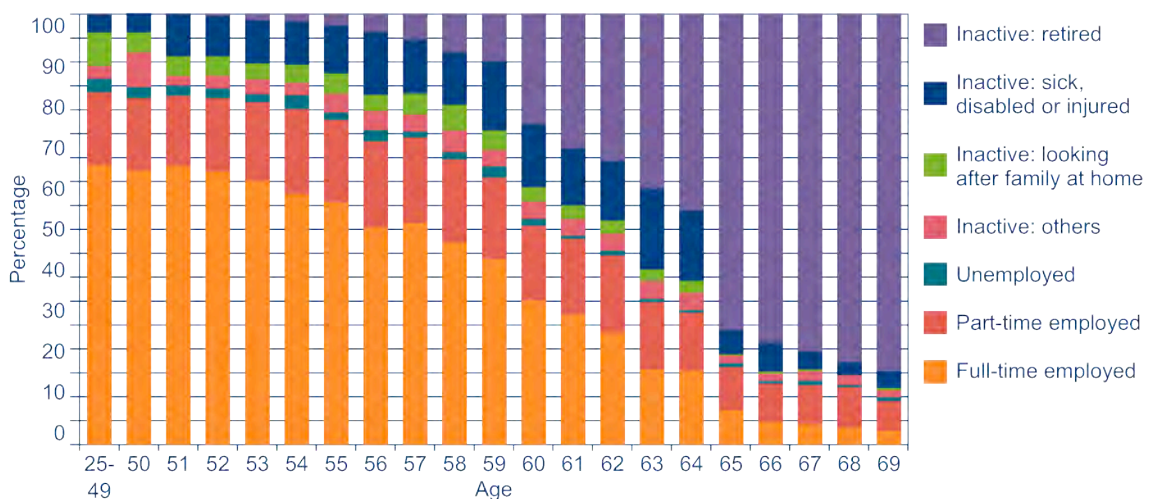
	Existing Products or Services	Modified Products or Services	Innovative Products and Services
Existing markets or needs			
New markets or needs			

*The gaps identified can be met by either existing or new businesses.*

### Literature review

On past evidence, an ageing population poses major challenges to any economy, especially one with a relatively small stock of locally owned and controlled private sector businesses, at a time of contraction in the public sector. Traditionally, employment rates drop sharply after age 50.

**Figure 4: Employment rates by age in Great Britain**

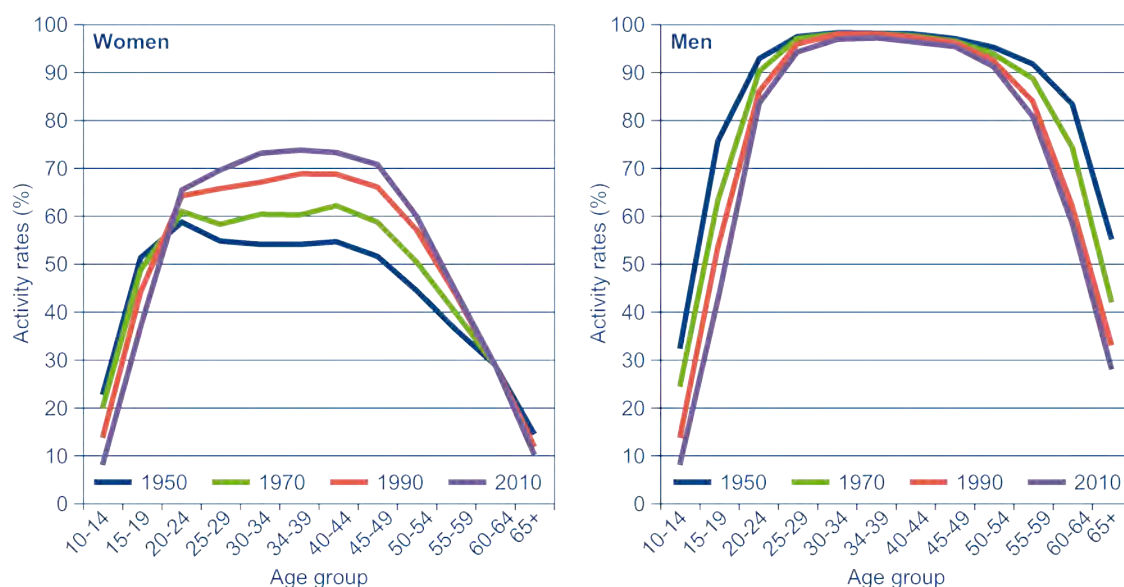


Source: Office for National Statistics, Labour Force Survey, Autumn 2004.

This is not a uniquely British phenomenon. Research by the ILO on economic activity rates internationally shows the same, broadly 'inverse U' shaped curve.

Although some of the factors that lead to this sharp decline can be attributed to discriminatory behaviours by employers and recruiters, the substantive challenge for the North would appear to be to tackle the issue from a different direction. In doing so it may be possible to address the twin challenge highlighted in the opening section of this paper.

**Figure 5: Economic activity rates over time**



Source: ILO

### An enterprising solution

The conventional assumptions are well summarised by Levesque<sup>6</sup> (2006) in stating that:

*“It is a known empirical fact that new firm creation tends to be a young man’s game. The median age of the CEOs of the fastest growing American private companies was 34 in 2001 and 32 in 2000 (Inc. 500, 2000, 2001). Also, a large, cross-country study of new firm creation shows younger people to be more active in new firm creation than older ones (Reynolds et al., 2002<sup>7</sup>)”*

<sup>6</sup> Levesque, M and Minitti M (2006) The effect of aging on entrepreneurial behaviour Journal of Business Venturing, Journal of Business Venturing 21 (2006) 177–194.

<sup>7</sup> Reynolds, P., Camp, M., Hay, M., 2002. Global Entrepreneurship Monitor Report. E.M. Kauffman Foundation, Kansas City, MO.

This, however, provides only a partial picture of the situation, with some evidence suggesting that entrepreneurial behaviours among older age groups are changing. In 2006 the GEM Consortium looked specifically at the relationship between age and Total Entrepreneurial Activity. This highlighted the relatively small, but still significant numbers of the over 55 age group committed to starting or developing their own business.

There is growing evidence to indicate that mature entrepreneurs may find starting a business easier than their younger counterparts because these entrepreneurs often have more experience to draw from and more assets with which to finance a business.

The Barclays Report<sup>8</sup> states that:

*“A recent survey showed that businesses started by people aged over 50 had more chance of success than those started by younger entrepreneurs.”*

Older entrepreneurs often have better people skills. In deprived areas, in particular, they are more likely to be car owners, have some savings and core work disciplines. In one earlier project, we found that creating work for their children was an important motivator for mature entrepreneurs in disadvantaged areas.

A cliché of entrepreneurship is that you have to be pushy and ruthless. Wiser, older entrepreneurs disprove this. You have to be focused. You have to know where you are going. You have to be able to inspire that vision in others. These skills come naturally to some charismatic youngsters whilst the rest of us acquire them over time.

Another advantage of leaving it late to become an entrepreneur is that many people will have acquired capital by that time. Such people ought to have learnt financial prudence which is essential in a start-up and not always pressed on entrepreneurs by providers of capital.

This potential is vividly illustrated in two areas of new technology; internet auctions and internet retailing. A study of trading on eBay indicated that over a third of the 'regular' or 'commercial' traders are over 50. This age group is the fastest growing in numbers and a percentage of all eBay traders. Their 'businesses' are generally larger in terms of total trading while their activities are longer lasting. Similar research into independent trading on Amazon illustrated the same broad pattern.

<sup>8</sup> Barclays Bank (2001) Third Age Entrepreneurs: Profiting from Experience, Barclays Plc., London.

Other studies have marshalled the following evidence:

From Barclays Bank survey<sup>9</sup>, 2001:

- The survey of 400 people aged over 50 running their own businesses found that 95% were pleased with their decision;
- The number of middle-aged people starting businesses grew by 50 % between 1990 and 2000 and now accounts for almost a quarter of new businesses.

From The 2004 GEM Report<sup>10</sup>:

- Total entrepreneurial activity is highest in the 35-44 age group at 7.9% but is now 3.9% amongst 55-64 year olds;
- Male entrepreneurship is 10.7% of the adult male population in the 55-64 age group while female entrepreneurship is 5.9% of the adult female population in this age group;

From The 2001 GEM Report<sup>11</sup>:

- The peak age at which people start business is 35-44 for men and 45-54 for women.

None of this analysis denies that ageing can lead to reduced physical and mental capabilities potentially reducing people's quality of life and ability to contribute to society, but improvements in healthcare, diet and lifestyle create complementary opportunities for a fitter, healthier older population with higher expectations and greater access to the resources to meet their expectations.

Evidence from the United States would suggest that there has been a material increase in the share of unincorporated and incorporated businesses owned and controlled by the over 50s. Over the period 2003-2009 the share of unincorporated businesses owned and controlled by those over 45 increased from 54% to 61%, while the same age group's share of the (typically larger) incorporated businesses grew from 58% to 65%. The over 55 year old age groups showed the greatest growth.

These changes were especially significant among the older age groups and women in unincorporated ventures.

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<sup>9</sup> Barclays Bank (2001) *ibid.*

<sup>10</sup> GEM Consortium (2004) *Global Entrepreneurship Monitor*, GEM Consortium, London.

<sup>11</sup> GEM Consortium (2001) *Global Entrepreneurship Monitor*, GEM Consortium, London.

**Table 8: Share of unincorporated and incorporated businesses owned and controlled by the over 50s 2003 and 2009**

Characteristic	Unincorporated Self-employed			Incorporated Self-employed		
	Total	Men	Women	Total	Men	Women
Age 16+						
Thousands	10295	6430	3865	4956	3626	1330
Per cent	100	100	100	100	100	100
16-19	0.9	1.0	0.7	0.2	0.2	0.5
20-24	2.6	2.8	2.3	1.0	0.9	1.2
25-34	15.6	15.3	16.2	11.6	11.5	12.0
35-44	26.4	25.4	28.0	28.7	29.0	27.8
45-54	27.1	27.2	27.0	30.8	30.6	31.4
55-64	18.8	19.1	18.3	20.5	19.9	22.0
65 and older	8.5	9.2	7.5	7.2	7.8	5.6
2009						
Thousands	9881	6140	3691	5466	3955	1511
Per cent	100	100	100	100	100	100
16-19	0.8	0.8	0.7	0.1	0.1	0.1
20-24	2.7	2.7	2.7	0.9	0.9	0.7
25-34	13.9	14.1	13.6	10.5	10.3	11.1
35-44	21.9	21.3	22.9	23.5	23.5	23.4
45-54	28.0	28.2	27.7	32.7	32.6	33.2
55-64	21.4	21.1	22.0	23.8	23.8	23.6
65 and older	11.3	11.7	10.5	8.6	8.8	7.9

Source: Hipple, S. F. (2010) *Self Employment in the United States Monthly Labour Review*, Division of Labor Force Statistics, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics, September and Hipple, S. F. (2004) *Self Employment in the United States, An Update, Monthly Labour Review*, Division of Labor Force Statistics, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics, July

Reviewing the earlier data from Hipple, Rogoff (2007)<sup>12</sup> concluded that:

*“Motives for later-life entrepreneurs include the need to continue to earn income even after traditional retirement, the desire to be mentally engaged in work, and the hope to fulfill long held dreams. As evidence points to longer and healthier lives, shrinking pensions, and continued personal ambitions, later-life entrepreneurship becomes a more attractive option for older people.”*

This type of shift would be broadly in line with the view that a business founder’s age, education, work experience, among other factors would have a positive effect on his or her’s ability to raise finance, build networks and create a successful business but opportunity costs and therefore reluctance to bear risk may increase with age.

<sup>12</sup> Rogoff, S (2007) ‘Opportunities for Entrepreneurship in Later Life’ *Generations* Spring pp 90-95.

Cressy (1996)<sup>13</sup> emphasises the role of the entrepreneur’s human capital, especially his or her age, and suggests a model that assumes the probability of a new firm’s survival is an increasing function of an entrepreneur’s age. In a study of 71 small business owners, it was found that risk-taking propensities depended on the following factors: age, education, years of business experience, span of life and size of the business (Schwer and Yucelt, 1984)<sup>14</sup>. On the other hand, the life cycle approach to business development (Kimberly and Miles, 1980<sup>15</sup>; Scott and Bruce, 1987<sup>16</sup>) suggests that the risk-taking propensity of the entrepreneur decreases over time; when the entrepreneur makes a transition to business manager, then by definition, he or she becomes less of a risk –taker and instead assumes a caretaker role.

Weber (2004)<sup>17</sup> develops this analysis in his study of “The Grey Entrepreneur” observing that:

*“A majority of older entrepreneurs are male, although the number of older female entrepreneurs is increasing; they are also less likely to possess formal educational qualifications than younger entrepreneurs. Some of the advantages that such entrepreneurs possess include greater levels of technical, industrial and management experience; superior personal networks; and a stronger financial asset base. Some of the disadvantages or potential barriers faced by older entrepreneurs can include lower levels of health, energy and productivity; ageism; and the value that his or her society places on active (‘productive’) ageing”.*

The three elements in this argument can be found in the UK literature about entrepreneurship among older age groups.

Blackburn (1997)<sup>18</sup> found that the over 50s were generally seen as having characteristics like experience, networks favourable to business ownership, as well as assets like savings, property and transport which could further support business creation.

The picture on risk aversion is less clear but Curran (2001)<sup>19</sup> argues that other motivators like the desire or independence and control is “at least as common among older people as among younger age groups.”

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<sup>13</sup> Cressy, R. (1996) ‘Are business startups debt-rationed?’, *The Economic Journal*, 106:438, 1253-1270.

<sup>14</sup> Schwer, R. and Yucelt, U. (1984) ‘A study of risk-taking propensities among small business entrepreneurs and managers: an empirical evaluation,’ *American Journal of Small Business*, 8:3, 31-40.

<sup>15</sup> Kimberly, J. and Miles, R. (1980) *The Organizational Life Cycle*, San Francisco, Jossey Bass.

<sup>16</sup> Scott, M. and Bruce, R. (1987) ‘Five stages of growth in small businesses’, *Long Range Planning*, 20:3, 45-52.

<sup>17</sup> Weber, P and Schaper, M (2004) ‘Understanding the grey entrepreneur’ *Journal of Enterprising Culture* Vol. 12, No. 2 (June 2004) 147-164.

<sup>18</sup> Blackburn, R *et al.* (1997) *Entrepreneurship in the Third Age* SBRC Kingston University, Kingston Upon Thames.

<sup>19</sup> Curran, J. and Blackburn, R. A. (2001) *Older People and the Enterprise Society Work*, *Employment and Society*, Vol15.

On survival rates, the evidence for the UK is stark. Cressy and Storey (1995)<sup>20</sup> found that overall, only 19% of start-ups still survived after 6 years but that 70% of businesses with owner managers over 55 survived after 6 years.

The Curran study (2001) identified significant numbers among older people who were employed and those who were retired or unemployed — 17 and 47% respectively who were interested in self employment. Despite that, a large majority of those still in employment were resistant to the possibility of self employment and gave a variety of reasons, most notably insecurity (over income, job security) and feel 'too late/too old'.

The analysis by Curran above is broadly in line with more recent research by the EU<sup>21</sup>. This indicates that the wishes for a stable income, the desire for job security dominate. It is, however, equally clear from the European data that these are shared equally by the whole population and those over 55, with few significant differences apart from greater concern about business finance among the whole population than among the over 55s.

**Table 9: Attitudes to self employment**

Respondents Currently Employed: Reasons for preferring not to be self-employed	
No guarantee of income	64.8
Too late/feel too old	60.8
No job security	50.4
Too Risky	50.4
Too stressful	43.2
Working hours too long	40.0
Insufficient knowledge or know-how	39.2
No ideas for starting business	30.4
Too many other commitments	24.8
Cashflow problems	24.0
Poor pension provisions	22.4
Burden of keeping official records	22.4
Problem's finding customers	20.0
Problems obtaining finance	19.2
Health problems	8.8
Other reasons	4.8
N-1	

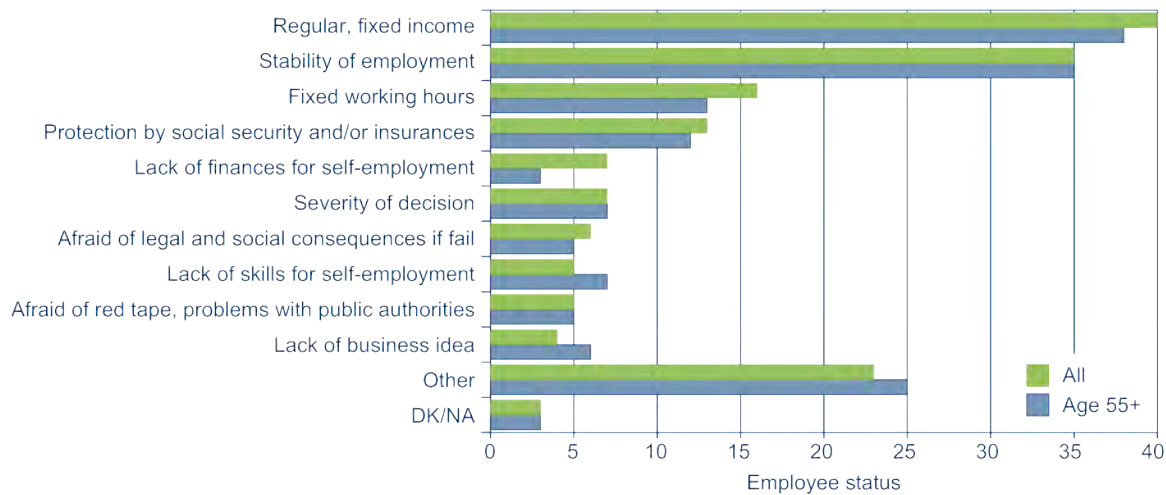
*Note: percentages do not sum to 100 as respondents were invited to offer more than one reason*

*Source: Curran (2001) Older People and the Enterprise Society*

<sup>20</sup> Cressy, R. and Storey D (1995) New Firms and Their Banks Centre for Small and Medium Sized Enterprise, Warwick University.

<sup>21</sup> Eurobarometer (2009) Entrepreneurship in the EU and beyond Directorate-General for Enterprise and Industry European Commission Bruxelles.

**Figure 6: Reasons for preferring employment to self-employment (EU27) — all versus aged 55+**



Source: Eurobarometer (2009) 'Entrepreneurship in the EU and Beyond' and current study.

The challenge facing older age groups is changing, however, as employment prospects vary within sub-groups and the general pattern of health and wealth shifts.

Despite this, the bulk of available evidence indicates that the share of older entrepreneurs in the economically active population increases significantly with age. The U.S. Department of Health and Human Services<sup>22</sup> points out that:

*“Among workers over age 50, older people ... (are) an increasing proportion of those who are self-employed ... In 2002, fewer than 20 percent of working people in their late 50s were self-employed, compared with nearly 40 percent at ages 70 to 74 and well over half of those age 80 and older.”*

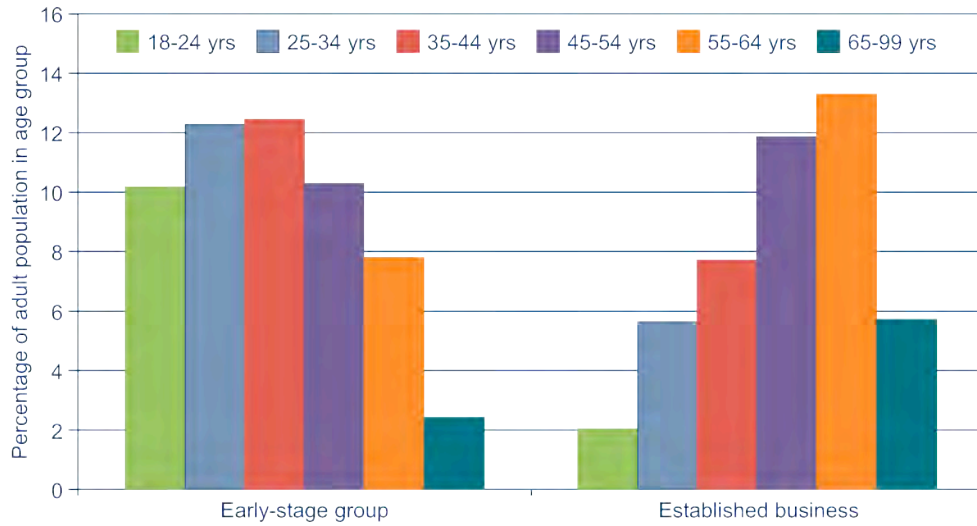
Zissimopoulos’s (2004)<sup>23</sup> study combined US *Health Retirement Study* (HRS) data with information from the US Census Bureau’s ongoing *Current Population Survey*. Zissimopoulos (2002) found that self-employed people have higher household incomes and wealth than do wage earners. This likely reflects the fact that the latter group often has pension plans (i.e., future wealth), whereas many self-employed people accumulate retirement resources in other forms. It also is important to note that self-employed people are less likely than other workers to have health insurance.

The same study indicated that self employment as a share of total economic activity for the age cohort peaked at around 65 while the pattern for men and women was broadly similar.

<sup>22</sup> US Department of Health and Human Services (2009) *Growing Older in America* National Institute on Aging, Bethesda MA.

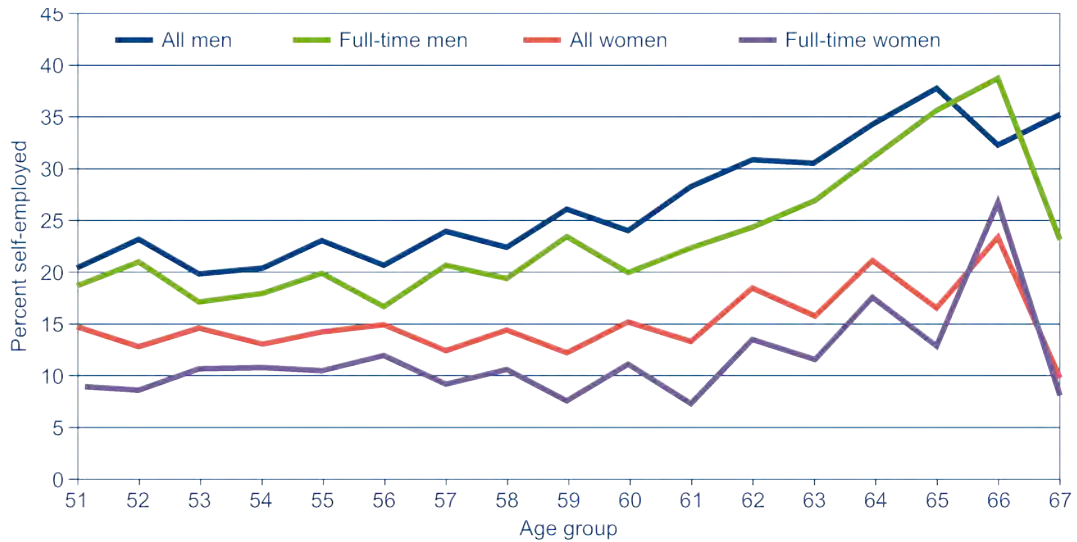
<sup>23</sup> Zissimopoulos, J. M. and Karoly, J. M. (2007) Transitions to self-employment at older ages: The role of wealth, health, health insurance and other factors *Labour Economics* 14 (2007) 269– 295.

**Figure 7: Share of older entrepreneurs in the economically active population**



Source: US Department of Health and Human Services (2009) *Growing Older in America* National Institute on Aging, Bethesda MA

**Figure 8: Percent self employed by age cohort (USA)**



Source: Zissimopoulos (2007).

Note: Sample is all workers and full-time workers aged 51 to 67.

Means have been calculated using HRS sampling weights.

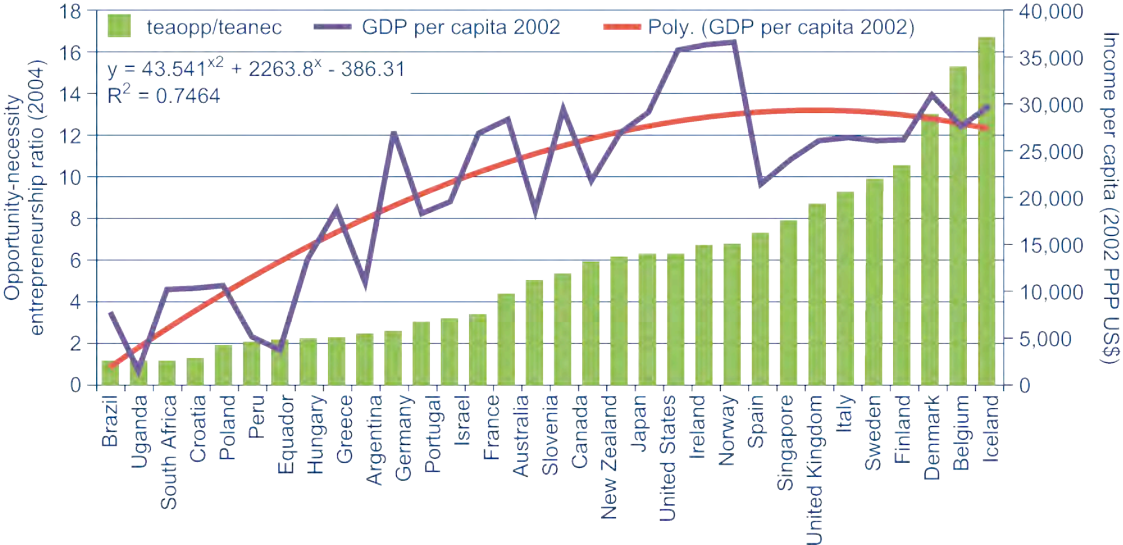
### Performance

Merely increasing the stock of businesses especially the self-employed does not, of itself, improve economic performance. The factors that encourage the drive to self-employment or spur the performance of the venture are at least as important.

Much analysis of the influences on business creation and the likelihood of self employment highlights two distinct patterns — opportunity entrepreneurship or distress, sometimes called, necessity entrepreneurship. In the former, the choice of business creation or self-employment is prompted by the positive benefits of being an entrepreneur, while in the latter the pressure is from poor job prospects or other challenges. The central hypothesis is that opportunity entrepreneurship is more important in improving economic performance.

Acs (2006)<sup>24</sup> argues that the available international evidence supports this intuitive proposition, with countries like Brazil, in which necessity dominates, having relative low per capital income returns while the likes of Denmark, Sweden, the UK and USA in which opportunity entrepreneurship is relatively high have higher per capita incomes.

**Figure 9: Opportunity and necessity entrepreneurship internationally (2004)**



Source: Acs, Z. (2006)

Manser (1999)<sup>25</sup> acknowledges the prevalence of necessity entrepreneurship among the older self-employed or entrepreneurial groups but draws out the positive reasons given by the older self-employed while emphasising the importance of education, past managerial or executive experience in shaping the decision to move to self employment.

Manser, also, draws out the impact of health insurance as a factor that differentiates US from Canada. It would appear that the link between paid employment and health insurance

<sup>24</sup> Acs, Z (2006) How Is Entrepreneurship Good for Economic Growth? Innovations, Spring.

<sup>25</sup> Manser, Marilyn E., Picot, Garnett, 1999. The role of self-employment in U.S. and Canadian job growth. Monthly Labor Review, 10–25.

discourages self-employment in the USA while the public sector support for Health Insurance in Canada provides cover for the self-employed. European health care systems mean that this issue, did not arise as a significant factor in either Curran's work or that of the EU.

Singh and De Noble (2003)<sup>26</sup> suggest an alternative typology based on changing economic circumstances especially in advanced industrial economies. These are:

- The constrained entrepreneur, he or she has long wanted to start a business but in the past lacked the financial or family flexibility to follow through with their idea;
- The rational entrepreneur, for whom self employment is a means to progress their career or to increase his or her wealth;
- The reluctant entrepreneur, who sees self employment as the only alternative to unemployment or an inadequate pension or other post-employment career alternatives.

Weber (2004)<sup>27</sup> suggests adding a fourth category:

- The lifestyle entrepreneur, who seeks personal as well as financial success

Among senior entrepreneurs all four types appear to exist.

There, also, seem to be important shifts in both the nature of the businesses created by older age groups. The 2008 GEM USA Report<sup>28</sup> indicates that those younger adults in the 18-44 age range have higher prevalence rates in early-stage activity, while older adults in the 45-99 age range have higher prevalence rates in established business activity.

The same GEM report notes that:

“With respect to the TEA<sup>29</sup>, the data indicate marked decreases in the activity rate for the 18-24 age group (10.5% vs. 14%) and the 35-44 age group (20.2% vs. 25.1%), but increases in the older age groups (45- 54 years, 27.7% vs. 21.8%; 55-64 years, 10.5% vs. 9.5%; 65-99 years, 4.3% vs. 3.4%). This indicates a shifting pattern of entrepreneurial activity. The share distribution of the TEA for the 18-44 age range decreased by 8% while the share distribution of the TEA for the 45-99 age range increased by 7.8% for 2008 compared to 2007.

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<sup>26</sup> Singh, G. and DeNoble, A. (2003). Early Retirees as the Next Generation of Entrepreneurs, *Entrepreneurship Theory and Practice*, 23(3): 207-226.

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<sup>27</sup> Weber, P and Schaper, M (2004) Understanding the Grey Entrepreneur, *Journal of Enterprising Culture* Vol. 12, No. 2 (June 2004) 147-164.

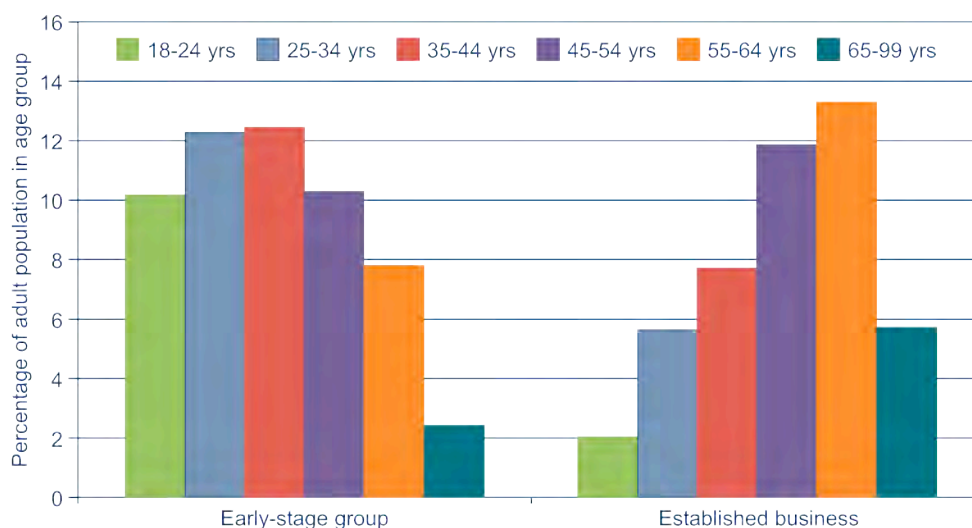
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<sup>28</sup> Global Entrepreneurship Monitor (2009) What Entrepreneurs Are Up To GEM, National Entrepreneurship Assessment for the USA, Boston, Babson.

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<sup>29</sup> Total Entrepreneurial Activity.

**Figure 10: 2008 US entrepreneurial prevalence rates by age group**



Source: GEM US 2008 Adult Population Survey (APS)

There is some evidence that the nature of the businesses created by older entrepreneurs may be different to all entrepreneurs not only in terms of the origins, type, sector and growth rates of the venture but in overall purpose.

There appears, for example, internationally to be a stronger emphasis on the social as well as the economic purpose of the venture. Social, cultural and educational goals are quoted twice as often as the main motivation for business creation among those aged 45-64 than among those aged 18-44.

Understanding this balance between opportunity entrepreneurship or distress or necessity entrepreneurship is important especially as Zissimopoulos's (2004) reminds us:

"The likelihood of moving to self-employment increases by 47 percent for men with a health condition that limits their work relative to workers without a work limiting health condition. For women, a work-limiting health condition increases the likelihood of moving to self-employment by 30 percent.

The two job characteristics that have the strongest relationship to movements to self-employment are a measure of hours' flexibility and the occupation in the wage and salary job. Being able to reduce hours at a wage and salary job increases the likelihood for men of moving to self-employment by 21 percent compared to men who cannot reduce hours. While the direction of the effect is the same for women, the marginal effect is much smaller and not statistically significant.

The results for men suggest that it is not the case that workers who want to reduce their hours in the wage sector cannot move to self-employment. Instead, it is possible that those with

hours flexibility on their wage sector job move to self-employment as their primary job, while continuing to work on a part-time basis in their wage job (now secondary to the self-employment work).”

The limited evidence available for the England, the UK and Europe would suggest that these drivers are important in determining not only the propensity to start a business or become self employed but the subsequent performance and job creation potential of the venture.

Three factors are generally seen as especially important in determining the likely success of new businesses founded by seniors. These are; peer support, especially from existing business networks, ‘enterprise skills’ broadly defined, and third access to resources including finance,

Baucus and Human (1994)<sup>30</sup> provide evidence of the impact of strong networks in assisting the start-up process, and suggests that such personal links can help older entrepreneurs gain both finance and marketing support. A qualitative study undertaken by Alizadeh (2000)<sup>31</sup> found that owner-managers over the age of 55 had a broader range of networks upon which they relied for business acquisition and support than their younger counterparts.

### **The public sector dimension**

The North of England is likely to see significant reductions in the public sector workforce. A Piori one might assume that this community with relatively high educational attainments, access to savings and, in some cases, tax free lump sums might make a promising source of new entrepreneurs. The available evidence would suggest some caution is needed.

McDonough’s (2006)<sup>32</sup> study set in Toronto, where public sector reforms had recently taken place, found that public servants felt disquietude in this new mode of operation. This implies that individuals who have spent their career in the public service might be less inclined towards enterprising behaviour. Mazzarol *et al.* (1999)<sup>33</sup> found that previous government employment had a negative influence on business formation and postulated that this might be related to the exposure of government employees to a work environment and organizational culture that is not entrepreneurially oriented.

<sup>30</sup> Baucus, D. and Human, S. E. (1994). Second Career Entrepreneurs: A Multiple Case of Entrepreneurial Processes and Antecedent Variables, *Entrepreneurship Theory and Practice*, 19(2): 41-71.

<sup>31</sup> Alizadeh, Y. (2000). Unravelling Small Business Owner/Managers Networking Activities’, Paper presented to the 45th International Council for Small Business World Conference, Brisbane, Queensland.

<sup>32</sup> McDonough P (2006) Habitus and the practice of public service. *Work, Employment and Society* 20(4): 629–647.

<sup>33</sup> Mazzarol T, Volery T, Doss N and Thein V (1999) Factors influencing small business start-ups: A comparison with previous research. *International Journal of Entrepreneurial Behaviour & Research* 5(2): 48–63.

Furthermore, Gibb (2001)<sup>34</sup> has argued that people from career backgrounds in large and complex organizations, such as in the public sector, often have highly developed skills, yet find transferring these to the context of the small firm — and, we may infer, enterprising behaviour — difficult as this requires flexible, opportunistic and innovative rather than systematic behaviour.

On more conventional measures of performance by businesses operated by senior entrepreneurs three issues have received some attention; growth rates, employment and survival.

- A study by Peters, Storey and Cressy (1999)<sup>35</sup> found that businesses established by older workers (50+) exhibited slower growth rates than those of ventures undertaken by younger entrepreneurs.
- There is some evidence that early stage employment rates by senior entrepreneurs share the positive impacts of all new businesses in early stage employment but their recruitment tails off earlier and overall employment rates are smaller than for all businesses.
- *The Economist* (1999)<sup>36</sup> reports that there appears to be some differences in the survival rates of firms operated by entrepreneurs of different ages in the UK, where 70% of businesses started by people aged 50 to 55 lasted more than three years, compared with just 30% for 20-25 year olds.

The overall picture for the impact of demographic change on the Regions of the North raises a range of policy issues that require close attention to the specifics of self-employment and business creation by older age groups.

## Methodology

This aspect of the project was initially built around five distinct, but related elements;

### Element 1

Research review of the stock of businesses in the North operated by 'over 50s' and the business formation rates of the same group. Where possible this was compared with England and UK national data and evidence from the EU and North America.

<sup>34</sup> Gibb A (2001) Creating conducive environments for learning and entrepreneurship — living with, dealing with, creating and enjoying uncertainty and complexity. Paper presented at the First Conference on the International Entrepreneurship Forum, Naples, Italy, June.

<sup>35</sup> Peters, M., Storey, D. and Cressy, R. (1999). The Economic Impact of Ageing on Entrepreneurship and SMEs, The Netherlands/United Kingdom, EIM Small Business Research and Consultancy and Warwick University, Brussels.

<sup>36</sup> The Economist (1999), Face Value: The Pygmy Problem, *The Economist*, 353(8144): 68-70.

Although profiling the scale of activity and its location(s) lies at the heart of this part of the project, it was equally important to look at the range and type of businesses formed, their survival and growth rates.

### ***Element 2***

This reviewed the literature on the 'demand' for ventures created for and by the 'over 50s'. Particular attention was paid to location of demand especially for 'exportable' (beyond the North) goods and services and barriers to entry to key markets and sectors. Developments already in train were considered.

Elements 1 and 2 sought specifically to address the issues raised about the differential impacts on business formation, development and growth and the complementary shifts in demand for goods and services locally, nationally and globally, and the implications for business behaviour, economic development and policy priorities of these shifts notably population ageing.

They provided a basis for the two 'empirical' elements in the study

### ***Element 3***

A study used a projective methodology to explore:

The potential within the North's over fifties population for new business creation and adding to the business stock, while drawing out the likely profile of those with the greatest potential by background and location with a complementary analysis of the market opportunities by location and type.

This element of the study was specifically designed to look forward into the impact of these changes on attitudes and behaviours within the populations under consideration. In examining the potential within the population it acknowledged the problems posed by the relatively low stock of businesses across the Northern Way and the associated low rates of business creation with this population. The focus here was on the potential for change i.e. higher rates of new business formation or adaptation within the existing stock. This provided insights into the impacts and opportunities on the North of England in terms of changes in the scale and capacity of the productive population, business and enterprise.

### ***Element 4***

We were fortunate in having access to data from all three regions of North on 'Silver', 'Senior', 'Third Age' or 'Mature' business development initiatives. These were from Knowsley (Merseyside), Stockport (Greater Manchester), Calderdale (Yorkshire) and the Newcastle study

'Testing the Waters' ESF Pilot at Newcastle University's Institute for Ageing and Health. While the North West and Yorkshire studies provided valuable recent data on recent experience, the Newcastle study is current and dynamic.

This data provided insights into the real world and real time experiences of entrepreneurs seeking to adapt to the changing population dynamics.

### **Element 5**

This drew these elements together into a comprehensive report for inclusion in the final report.

### **Research questions and results**

Although the issues raised above provided the starting point for the study other issues emerged. These ranged from: the type of technologies that are emerging from Universities and elsewhere to address age related issues and provide business opportunities; through differences within the 'over 50s' populations for example by age and ethnicity; to the issue highlighted earlier about the impact of attempts to re-balance the Northern Economy especially between private and public sector employment.

### **Self employment at different levels**

The conventional drivers towards new firm formation, especially among older age groups are relatively weak in the Northern Regions. Research highlighted earlier identified peer group behaviour as an especially important factor in encouraging seniors to become self-employed or start their own businesses. Brönte (2009)<sup>37</sup> places particular emphasis on the importance of "benefit from peer effects, that is, access to information and external resources resulting from their social network "

The table above from the most recent GEM Report for the UK<sup>38</sup> highlights the aggregate challenge to the three Northern Regions in stimulating entrepreneurial behaviours. Less than 25% of all those surveyed for GEM indicate that they know someone who has started a business in the last two years. Indicative research for this project, however, suggests that significantly more of those 'economically active' in the three Regions claim that they know someone who has recently started a new business or 'owns or manages' a small or medium sized business.

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<sup>37</sup> Brönte, W. *et al.* (2008) The Impact of Regional Age Structure on Entrepreneurship *Economic Geography*, 85(3) pp 269-287.

<sup>38</sup> Levie, . and Hart, M. (2009) UK 2009 Monitoring Report Aston Business School, Aston University, Birmingham.

**Table 10: Entrepreneurial experiences**

	I personally know someone who has started a business in the last two years	There will be good start-up opportunities where I live in the next six months	"I have the skills, knowledge and experience to start a business"	Fear of failure would prevent me from starting a business (for those who agree that there are good start-up opportunities)
East	28.5	22.9	44.7	36.8
East Midlands	19.6	23.4	42.8	35.9
London	40.0	28.3	50.0	37.7
N East	22.5	19.7	41.0	34.0
N West	21.7	23.1	44.1	38.5
Northern Ireland	22.4	17.0	37.1	41.5
Scotland	22.1	21.2	39.9	34.1
South-East	22.3	24.5	45.8	30.7
South-West	21.2	24.4	44.7	23.6
Wales	21.2	20.4	45.2	34.0
West Midlands	21.2	19.9	43.2	40.5
Yorks & Humber	21.1	20.9	45.6	41.0
United Kingdom	23.4	23.0	44.5	35.2

Source: GEMUK (2010)

**Table 11: Know someone who owns or manages a business**

	% Responding Positively to the Proposition	
	I know someone who has recently started their own business	I know someone who owns or manages a small business
North East	29	35
North West	34	41
Yorkshire	32	40

The same small scale study found equally significant differences to other key questions raised in the GEM Study. Older (50+) economically active respondents seem more confident of their ability to start a business but have a greater fear of failure.

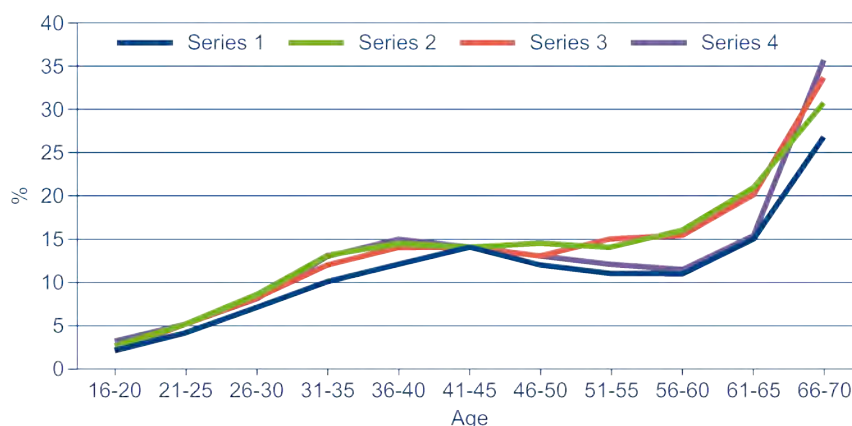
**Table 12: Older respondents know someone who owns or manages a business**

	% Responding Positively to the Proposition	
	I have the skills, knowledge and experience to start a business	Fear of failure would prevent me from starting a business
North East	45	43
North West	63	47
Yorkshire	60	45

Gender specific information on age and entrepreneurship is very limited. The 2001 GEM Report, however indicated that the peak age for entrepreneurship and self employment among women is the age range 45-54.

This research suggested that over 6% of female entrepreneurs were in this age bracket. The limited evidence currently available suggests that the age range 50-59 is the peak entrepreneurial age for women with around 15% of all female entrepreneurs in this age band. There seems, however, to have been some change in the peak age for male entrepreneurship with the 40-49 Age Group (against the 35-44 Age Group identified by GEM in 2001) now the largest.

**Figure 11: Peak ages for entrepreneurship**



Source: GEM, LFS

As indicated earlier, there have been important changes in the measurement of business activity. Until 2008, the key indicators used by policy makers were VAT Registrations and the Stock of VAT registered businesses. This data vividly illustrated the challenges facing the North especially when disaggregated at a local level.

The disaggregated VAT data shows only seven localities matching the performance for England as a whole for VAT Registrations with all but one of these in the 'golden triangles' of Cheshire, South Manchester and Stockport in the North West or South Leeds and West Yorkshire. The data for the stock of businesses is slightly better or more widely distributed. The importance of the more rural areas like Cumbria, North Yorkshire and the East Riding is clear from this analysis.

The available evidence on the age profile of owners and founders of VAT registered businesses suggests that rural areas see a somewhat older entrepreneurial population. The central challenge is to stimulate business formation in those localities like Merseyside, North Manchester, Tyne and Wear and South Yorkshire with ageing populations and low rates of business formation.

As mentioned earlier, the VAT registrations dataset has been discontinued. There will be no further updates after the 2007 registrations data. It has been replaced with a new Business Demography dataset from the Office for National Statistics.

The business demography dataset reinforces some features of the VAT data. The importance of the 'golden triangle' of Trafford, Cheshire East and Stockport is reaffirmed while the influence of the more rural economies like North Yorkshire and Cumbria is clear.

This latter emerges even more clearly in data on self-employment where the importance of rural self employment is made clear. The data on start-ups is harder to explain, especially the performance of North East Lincolnshire while the strong showing of Blackburn with Darwen possibly reflects the Borough's active programme of support especially through property developments.

### **The stock of businesses in the North operated by 'over 50s'**

Any attempt to build up a picture of the stock of businesses operated by the 'over 50s' and rates of business formation faces a series of related issues which often centre on questions of definition, profile and performance.

### **The stock of businesses and comparisons with England and UK national data**

Most of the available, published secondary data in the UK uses self-employment as the nearest approximation for entrepreneurship. The advantage of this is that it picks significantly larger numbers than previous, narrower definitions based on business creation and development. The weakness is that it embraces many forms of 'disguised' employment as many larger firms use contract labour and freelancing as substitutes for employment. This latter appears to be especially noticeable during periods of recession.

Guy Weir<sup>39</sup> noted that

*"Previous research found growing numbers of people leaving unemployment (especially long-term unemployment) for self-employment in the early 1990s recession (Bryson and White<sup>40</sup> and Cowling and Mitchell<sup>41</sup>)."*

<sup>39</sup> Weir, G (2003) Self-employment in the UK labour market Labour Market Trends Office of National Statistics.

<sup>40</sup> Bryson, A. and White, M., Moving (1996) In and Out of Self-employment, Policy Studies Institute.

<sup>41</sup> Cowling, M. and Mitchell, P., (1997) The Evolution of U.K Self-employment: A study of Government Policy and the Role of the Macroeconomy, The Manchester School of Economic and Social Studies.

**Table 13: VAT Registration and the stock of VAT registered businesses end 2007 (ONS)**

VAT registrations against economically active population		VAT stock against economically active population	
Area	/10k	Area	/10k
England	68	England	660
Trafford	93	North Yorkshire	900
Cheshire East	82	Cheshire East	845
Warrington	76	Cumbria	793
North Yorkshire	74	Trafford	789
Manchester	72	East Riding of Yorkshire	685
Cheshire West & Chester	70	Stockport	657
Stockport	68	Calderdale	639
Blackburn with Darwen	67	Cheshire West & Chester	637
Cumbria	66	Northumberland	630
Calderdale	63	Lancashire	623
Salford	63	North Lincolnshire	595
Bury	62	Warrington	578
Lancashire	58	Blackburn with Darwen	561
Bolton	58	Manchester	559
East Riding of Yorkshire	58	Kirklees	559
Leeds	57	Bolton	556
Kirklees	57	Bury	555
Halton	57	Salford	552
Rochdale	56	York	524
Northumberland	56	Rochdale	511
North Lincolnshire	55	Bradford	510
Bradford	54	Blackpool	498
York	54	Darlington	493
Wakefield	54	Oldham	489
Stockton-on-Tees	53	Leeds	487
Sefton	53	North East Lincolnshire	486
Wigan	52	Tameside	475
Liverpool	52	Wakefield	474
Wirral	50	Sefton	470
Darlington	50	Sheffield	468
Newcastle upon Tyne	50	Doncaster	457
Tameside	49	Liverpool	449
Oldham	49	Barnsley	446
Doncaster	48	Wigan	442
Rotherham	48	County Durham	441
St. Helens	48	Newcastle upon Tyne	435
Barnsley	48	Wirral	433
Hartlepool	47	Halton	432
North East Lincolnshire	47	Rotherham	427
Sheffield	47	Gateshead	427
Gateshead	46	St. Helens	397
Blackpool	46	Kingston upon Hull, City of	387
North Tyneside	45	Stockton-on-Tees	383
Redcar and Cleveland	45	Hartlepool	358
County Durham	44	Redcar and Cleveland	346
Middlesbrough	44	North Tyneside	335
Kingston upon Hull, City of	41	Middlesbrough	328
Knowsley	37	Sunderland	325
South Tyneside	36	Knowsley	306
Sunderland	36	South Tyneside	296
London	101	London	786

**Table 14: Business demography dataset (ONS)**

Economically Active Population	Start-ups/10k	Self-employed against economically active population	% self-employed/ 10k	Economically Active Population	Stock
England	80	England	12.6%	England	776
North East Lincolnshire	116	North Yorkshire	17.6%	Trafford	967
Trafford	105	Cheshire East	15.9%	Cheshire East	953
Cheshire East	91	Cumbria	14.8%	North Yorkshire	865
Blackburn with Darwen	89	Northumberland	13.4%	Stockport	819
Manchester	88	Darlington	12.5%	Cumbria	805
Bury	83	Kirklees	12.4%	Lancashire	750
Bolton	79	Bury	12.2%	Calderdale	749
Stockport	78	Bradford	12.2%	Bolton	732
Warrington	78	Wirral	12.2%	Cheshire West & Chester	732
Calderdale	76	East Riding of Yorkshire	12.0%	East Riding of Yorkshire	731
Salford	75	Oldham	12.0%	Bury	717
Kirklees	75	Calderdale	11.8%	Blackburn with Darwen	712
North Yorkshire	75	Cheshire West & Chester	11.8%	Warrington	709
Liverpool	70	Trafford	11.8%	Manchester	702
Blackpool	70	Lancashire	11.7%	Blackpool	690
Bradford	70	Leeds	11.4%	North East Lincolnshire	674
Cheshire West & Chester	70	Wigan	11.1%	Kirklees	674
Lancashire	69	Blackpool	11.0%	Salford	670
Rochdale	68	Rochdale	11.0%	North Lincolnshire	659
East Riding of Yorkshire	66	Stockport	10.8%	Northumberland	641
Cumbria	64	Tameside	10.8%	Rochdale	640
Darlington	63	Rotherham	10.8%	Bradford	629
Halton	62	Warrington	10.7%	York	615
Wirral	62	Salford	10.5%	Darlington	615
Gateshead	61	Doncaster	10.4%	Oldham	608
Sefton	60	Knowsley	10.3%	Sefton	604
Northumberland	59	Manchester	10.0%	Liverpool	599
Doncaster	59	Blackburn with Darwen	10.0%	Wirral	591
Leeds	59	Sheffield	9.9%	Sheffield	579
Wakefield	59	Barnsley	9.8%	Tameside	573
Rotherham	58	York	9.7%	Leeds	572
Newcastle upon Tyne	57	North Lincolnshire	9.5%	Newcastle upon Tyne	562
Stockton-on-Tees	56	Newcastle upon Tyne	8.9%	Doncaster	556
Oldham	56	Liverpool	8.3%	Gateshead	551
Wigan	56	Sefton	8.3%	Wakefield	550
North Lincolnshire	56	Halton	8.2%	Wigan	547
Sheffield	55	Bolton	8.2%	Halton	538
York	55	Gateshead	8.0%	Barnsley	532
Hartlepool	54	Hartlepool	7.8%	Rotherham	524
Barnsley	54	North East Lincolnshire	7.6%	County Durham	508
Kingston upon Hull	54	Redcar and Cleveland	7.6%	Stockton-on-Tees	502
Tameside	54	Sunderland	7.5%	Kingston upon Hull	499
County Durham	51	South Tyneside	7.5%	St. Helens	484
St. Helens	51	Middlesbrough	7.4%	Hartlepool	480
Middlesbrough	50	Wakefield	7.4%	Redcar and Cleveland	453
Redcar and Cleveland	50	County Durham	7.2%	Middlesbrough	439
North Tyneside	48	Kingston upon Hull	7.1%	North Tyneside	432
Knowsley	46	St. Helens	6.7%	Sunderland	417
Sunderland	44	Stockton-on-Tees	6.3%	South Tyneside	397
South Tyneside	43	North Tyneside	6.2%	Knowsley	394
Inner London	159	Inner London	11.0%	Inner London	1256
Outer London	99	Outer London	10.4%	Outer London	793

Weir’s study of self-employment highlighted several factors of immediate relevance to this work.

First, he noted that self-employment as a proportion of the economically active population, clearly increases with age. He attributed this largely to people not adhering to normal retirement age practices during economic downturns. The ‘younger-old’ become self-employed after retiring early from their employee jobs. The picture Weir describes for 2002 appears to exist now with a slight increase in the proportion of the economically active population identified as ‘self-employed’ for England, but a significantly greater increase in the Northern Regions.

**Table 15: Economic activity by age**

% of Economically Active who are Self-Employed				
	England		Northern Regions	
	2002	2009	2002	2009
16-19	2	2	2	2
20-24	4	4	4	5
25-34	10	9	9	9
35-49	13	14	11	12
50-64	17	18	14	16
65+	33	35	21	29

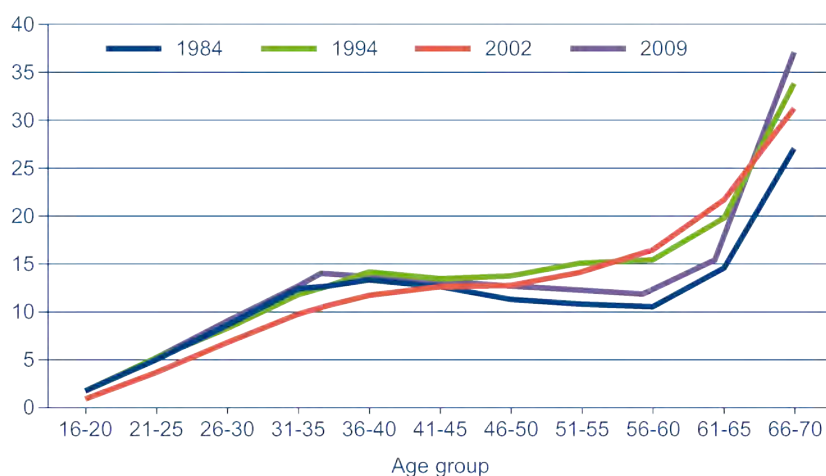
Source: Weir (2006) and Labour Force Survey in NOMIS

Weir noted several industry specific factors which might explain both the differences between the North and the South and the changes over time. He noted, for example, that the three “largest industry groups for the self-employed were construction, real estate, renting and business activities, and wholesale, retail and motor trades. In contrast, the most populated industries for employees were manufacturing, wholesale, retail and motor trade and health and social work.”

The decline in manufacturing employment in the North over the period from 971,900 employees to 771,100 employees goes some way to explain the increase in the share of self-employed especially in older age groups. While employment in wholesale, retail and motor trade and health and social work has increased slightly, the share of self-employed has, also, increased. The percentage of those self-employed in construction, real estate, renting and business activities has, also, increased. It would seem that the pattern of self-employment in the North among older age groups of the economically active increasingly reflects the pattern for the whole of England, while the share of self-employed has increased in every significant industry group.

The overall pattern described by Weir seems to be persisting with an increase in self-employment in recent years among older age groups across England and in the North.

**Figure 12: Self employment over time and by age**



Source: Labour Force Survey

### **Business formation, rates and patterns by the over 50s**

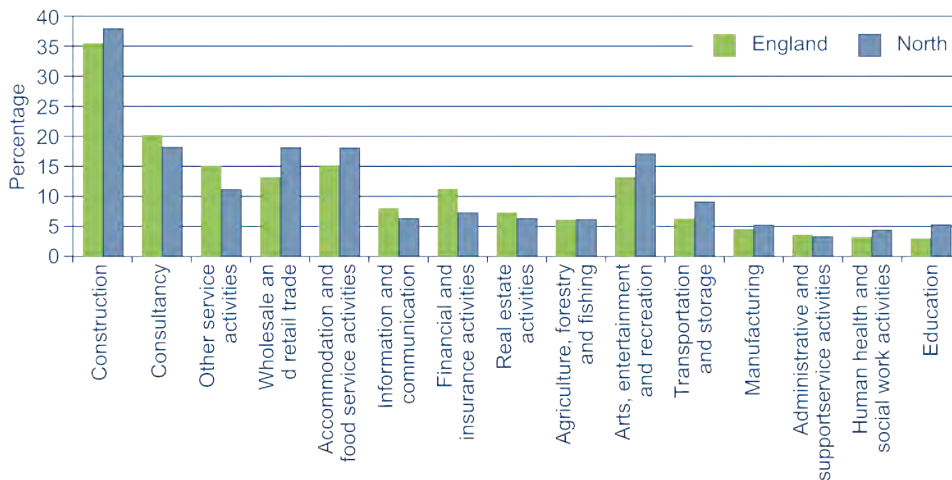
At the heart of any attempt to build a picture of business formation rates and patterns of business development by the over 50s is the lack of any official data which distinguishes between those over 50's who continue to be self-employed or operate their businesses past the age of 50 and those who start new businesses after reaching 50 years old.

Business Ownership (including self-employment) by over 50s is relatively concentrated in both England and the North. In both England and the North, the largest concentrations of self employment or business ownership by seniors are in construction, consultancy, wholesale and retail, accommodation and food service and arts, entertainment and recreation. There are some important differences between the England and the North notably the relative importance of retailing, accommodation and catering and arts, entertainment and recreation in the North and the relative importance of consultancy, financial services and other service activities across England.

Using the same projective techniques with experts working in the area of senior entrepreneurship, a picture of the types of businesses being created by new entrepreneurs was built up on three levels; by industry/sector, by type of venture and by entrepreneurial drive.

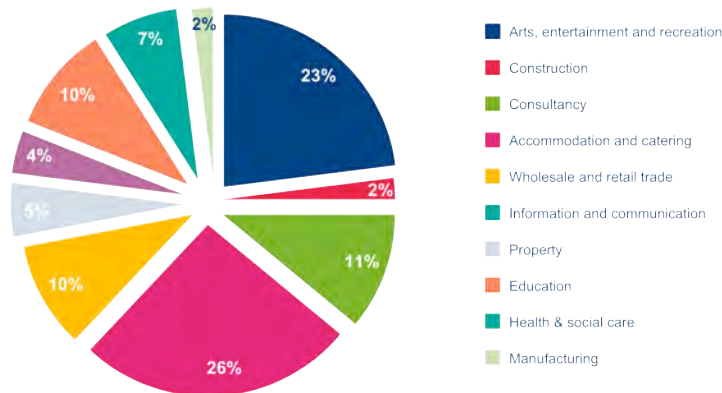
This data on the North highlights both the greater concentration by sector and type of business. Arts, entertainment and recreation, consultancy, accommodation and catering and wholesale and retail trade are apparently far more important than among all businesses.

**Figure 13: Self-employment by business sector**



Source: Department of Business, Innovation and Skills 2010

**Figure 14: New firm formation by seniors in the North**



This data is broadly in line with research undertaken by Steven White for the Department for Business Innovation and Skills, he found that for England:

“The industrial sectors that the self-employed aged 50 and over were most likely to work in are listed below:

- Construction (18.1%), Professional, Scientific and Technical (14.1%), and Wholesale, Retail and Repair of Vehicles (11.4%).

However, the self-employed aged 50 years and over were less likely to work in the Construction sector than younger entrepreneurs, but were more likely to work in the Professional, Scientific and Technical Sector than younger self-employed people.”

Three sectors — arts, entertainment and recreation and education were highlighted in interviews with senior starters as sectors where ‘social enterprises’ are seen as especially

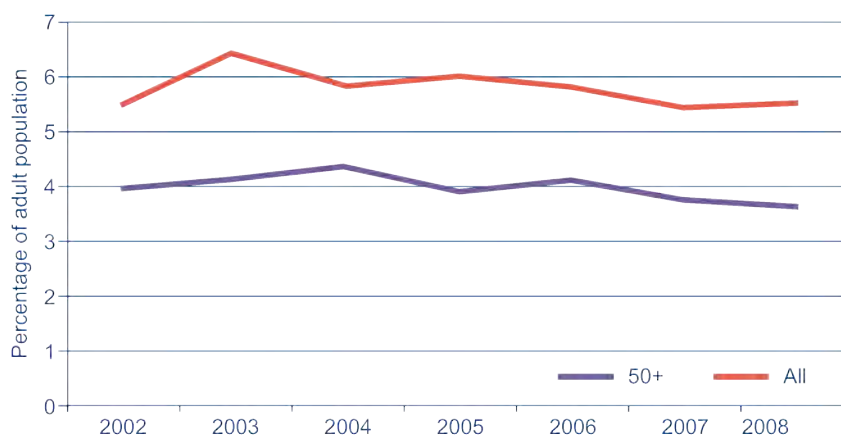
attractive business models. Over half of the senior starters in these sectors expect to use this model of enterprise.

### ***Insights from prime and GEM on the core behaviours***

As indicated above, the data quoted embraces both existing and new businesses while including the self-employed as well as those aspiring to build 'entrepreneurial' ventures i.e. with growth aspirations or potential. In collaboration with Professor Mark Hart of Aston University, the PRIME Initiative (the Charity which helps people over the age of fifty set up in business for themselves) is building up a database of senior entrepreneurs. Their data suggests that around 5% of all those individuals in their sample aged 50+ were in the process of starting a business.

Professor Hart's study for GEM UK on Entrepreneurial Activity and the 50+ Population was based on a sample of 18,000 aged 50 years and over across the UK and focussed on a narrower measure than self-employment called Total Entrepreneurial Activity (TEA).

**Figure 15: Total entrepreneurial activity in the UK**



Source: GEM (2009)

This found that TEA was lower among the over 50s than for the total population of the UK with little growth in TEA between 2002 and 2008.

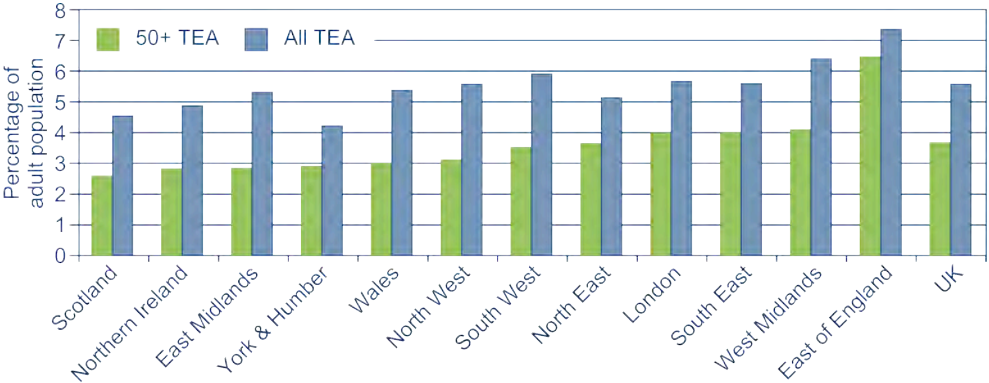
The same study<sup>42</sup> found that “there are no significant differences in the level of early-stage entrepreneurial activity in the 50+ population across the UK regions.”

The differences that exist between these findings and the other datasets used largely reflect different definitions with, for example, TEA measuring entrepreneurial intentions. Self-

<sup>42</sup> Hart, M (2011) GEM UK: Entrepreneurial Activity and the 50+ Population Mimeo Economics and Strategy Group, Aston Business School, Aston University.

employment is included elsewhere. Besides this actual behaviours are measured in the further analysis taken outside the GEM data.

**Figure 16: Total entrepreneurial activity across the UK regions**



Source: GEM (2009)

Besides highlighting these differences between the ‘intention to be an entrepreneur’ and self-employment, Hart’s work brings out the difference between activity that is based on necessity (i.e. there are no better alternatives for work) or opportunity (where entrepreneurs may be exploiting the potential for new market creation).

There is far less information on the more behavioural aspects of the research. Using the ‘Opportunity and Necessity Entrepreneurship’ typology there seems to be an identifiable link between opportunity entrepreneurship among older age groups in the better performing localities, while necessity or distress entrepreneurship seems more common among older age groups in the more urban, poorly performing areas.

Analysis of the participants of ‘Silver Entrepreneurs’ programmes in Calderdale and Stockport found a significantly higher percentage of those who had ‘identified a business opportunity’ than in Knowsley, Halton and Tyneside.

**Table 16: Routes to business creation and self employment<sup>43</sup>**

	“Spotted an opportunity” number	“Had no choice” Number	Other number	Total
Calderdale	19	16	12	47
Stockport	13	11	12	36
Knowsley	4	11	6	21
Halton	3	6	7	16
Tyneside	3	9	6	18

<sup>43</sup> Note that these are self-selecting groups of programme participants not part of designed samples census

This analysis is broadly in line with previous work highlighting the importance of the 'golden triangles' of South Manchester and South and West Leeds/West Yorkshire

In some ways the most striking aspect of the analysis so far centres on female entrepreneurship among older age groups. There seems to be a greater propensity towards opportunity entrepreneurship among women than among men, even in the more urban, poorly performing areas. This pattern is even more marked if the alternative four part typology is used.

**Table 17: Patterns of entrepreneurial aspiration**

	Start-up		Self-Employment		Active Enterprises	
	Male	Female	Male	Female	Male	Female
The constrained entrepreneur	18	19	20	20	25	24
The rational entrepreneur	12	25	10	25	22	24
The reluctant entrepreneur	53	19	45	15	20	10
The lifestyle entrepreneur	12	35	17	37	28	37
N/A	5	2	8	3	5	5

## Europe

Although across Europe most workers are employees rather than self-employed: at least 25 % of non-agricultural jobholders in all Member States in 2009 were self-employed. The limited available evidence would suggest that the same broad pattern as outlined for Britain, with an increasing share of total employment accounted for by the older, self-employed, is developing. In total there are around there were 32.5 million self-employed, including employers, in the EU-27 in 2009.

The European Employment Observatory Review (2010)<sup>44</sup> notes that, across the EU, the typical self-employed person in Europe is male (69.6 % in 2009) and falls within the higher age groups. Around 37.5 % are aged over 50 or accounting for just over 12 million enterprises and around 25 million jobs. This is significantly greater than in England or the North but probably reflects the greater importance of agricultural employment. Across England, for example, over 50% of those employed in agriculture are classified as self-employed.

It does, however, seem that preliminary research<sup>45</sup> in the North, using the Eurobarometer (2009)<sup>46</sup> questionnaire, arrived at conclusions in line with those for the EU.

<sup>44</sup> European Employment Observatory Review (2010) Self-Employment in Europe Directorate-General for Employment, Social Affairs and Equal Opportunities, European Commission, Brussels.

<sup>45</sup> Very small samples were used for the North. The samples were, also, highly concentrated in urban areas.

<sup>46</sup> Eurobarometer (2009) Entrepreneurship in the EU and beyond Directorate-General for Enterprise and Industry European Commission Bruxelles.

Just as for the EU, significantly more of the older age groups would prefer to be self employed than consider it feasible to be self employed. Some, at least, of the differences between the attitudes of the older age groups may be explained by the slight differences in the age ranges included.

**Table 18: Preference vs feasibility (North)**

Age	Prefer to be self-employed %	Considerate feasible to be self-employed %
16 to 19	30	10
20 to 24	24	15
25 to 34	39	42
35 to 49	38	40
50 to 64	42	20
65+	35	15

**Table 19: Preference V feasibility (EU 27)**

Age	Prefer to be self-employed %	Considerate feasible to be self-employed %
15 to 24	52	40
25 to 39	42	42
40 to 54	39	29
55+	38	13

Source: Eurobarometer (2009), This study.

The pattern described above, with significantly more of the older age groups in the North than EU 27 preferring to be self employed. This persists until the post 65 age groups, when the largest number would prefer to be neither employed nor self-employed, if being an employee is an option.

### **The Northern issue**

Analysis of EU statistics about self-employment faces major problems of definition, which do not occur in a unitary system like the US or UK. In England and North, the share of the economically active who are self-employed increases with age, but the North has lower rates of self-employment in all later age groups apart from the more rural areas of Cumbria, North and South Yorkshire.

### **Survival and growth rates**

The last decade or more saw a progressive improvement in business survival rates. Using VAT Registration data, both the three and the one year survival rates for all businesses increased throughout the 2000's albeit with a slight dip in the one year data during 2004. For most of the

period, the three year survival rate across the UK was over 70% for VAT registered businesses. There are significant variations in survival rates both regionally and by industry sector.

**Table 20: Suppose you could choose between different kinds of jobs, which would you prefer?**

North				
Age	Being an Employee	Being Self Employed	Neither of These	DK/NA
16 to 19	64	26	7	3
20 to 24	71	21	5	3
25 to 34	40	48	10	2
35 to 49	44	46	8	2
50 to 64	30	65	4	1
65+	18	35	40	7
EU27				
15-24	43.7	52.4	0.6	3.3
25-39	50	46.6	1.3	1.8
40-54	50.4	45.5	2.1	2
55+	49.5	40.8	6.6	3.2

Source: Eurobarometer (2009), This study.

**Table 21: Among those who have ‘recently’ started or who are in the process of starting a business**

Age	You started because you came across an opportunity	You started because of necessity
North		
50 to 64	66	24
65+	38	35
EU		
40 to 54	57.4	27.4
55+	48.9	34.9

Source: Eurobarometer (2009), This study.

Regionally, London has the lowest rate of three year survival, while accommodation and catering, transport and storage, and wholesale and retail trade had the lowest rate of three year survival<sup>47</sup> of the larger employment sectors. Survival rates in rural areas are much higher than in urban areas. The issue of “‘productive churn’ within an economy in which efficient new entrants to the market replace less efficient existing businesses<sup>48</sup>” has generated considerable debate in the small firm literature.

<sup>47</sup> mMining and quarrying actually has the lowest rate of three years survival but it is posited that as the number of enterprises is very small, much of this change may be due to fluctuations in registrations over the period.

<sup>48</sup> Robinson, C *et al.* (2006) Business start-ups, closures and economic churn National Institute for Economic and Social Research.

Although this literature does not specifically address either the specifics of age (applied to the business founder(s)) or the Northern regions let alone include data on the self-employed, it highlights several issues of immediate relevance to this analysis.

The cost of entry and exit data suggests that where the cost of entry is low — business formation rates are likely to be high — and where the cost of exit is low (often in the same sectors) churn will be greatest. This, in turn, implies that sectors like construction, consultancy, wholesale and retail, accommodation and food service and arts, entertainment and recreation, where seniors are well represented, are likely to see high rates of churn. The Cookson Report<sup>49</sup> concludes that “there are higher levels of churn in service sectors compared to manufacturing sectors.” The same study went on to argue that “that size and age are found to be especially important in survival.”

Together, this evidence would suggest that survival rates in businesses created by the over 50s would be low relative to all businesses, but Prime quotes research that shows business survival rates are almost four times better than for younger people<sup>50</sup>. Our research suggests four possible explanations for this discrepancy.

First; there is a massive difference between those who describe themselves as opportunity and necessity entrepreneurship. For over eighty% of the latter (over all areas in the North studied) the opportunity of paid employment in an industry or career with which they were familiar or confident of their abilities would lead them to cease trading. The situation was almost reversed for ‘opportunity entrepreneurs’ with many saying they would (could afford to) persist even in the face of difficulties in the short to medium term.

Second; the alternative four part typology of reluctant, constrained, lifestyle and rational adds further insight. Constrained and lifestyle entrepreneurs (including the self-employed) are very committed to the survival of their business.

Third; there is a marked gender difference with key groups of senior ‘female’ entrepreneurs among the constrained, lifestyle and rational business founders especially committed to persisting with their venture. These were those with a recent history of part-time work and ‘women returners’ with higher levels of educational attainment.

Fourth; among all groups of seniors, especially those acting as self-employed or freelance workers, there was a commitment to continue so long as income derived ‘didn’t affect’ or supplemented their pensions.

<sup>49</sup> Robinson C. (2006) *ibid* pg v.

<sup>50</sup> <http://www.primeinitiative.co.uk/?s=survival+rates>

Reference has already been made to material gender differences among senior entrepreneurs. There are just under 200,000 self employed women in the three Northern Regions, with Yorkshire and Humberside having the largest share of all economically active women self-employed.

### Gender

Over the last six years (2005-2010) of the decade, the number and percent of all women in the three Northern Regions who are self-employed has grown slightly faster than the rest of the England (14% against 13%).

**Table 22: Differences within the 'over 50s' populations**

	Self Employed		
	All	Men	Women
	% aged 16-64	% aged 16-64	% aged 16-64
England	9.2	13	5.4
North East	5.8	8.3	3.3
North West	8.0	11.8	4.1
Yorkshire and the Humber	8.2	12	4.4
East Midlands	8.2	11.8	4.6
West Midlands	8.1	11.9	4.3
East	10.3	14.8	5.7
London	10.7	14.5	6.8
South East	10.3	14.3	6.4
South West	10.3	14.1	6.6
Total Self Employed North	728,500	533,000	195,400

Source: ONS via NOMIS

According to White<sup>51</sup> around a third of all self-employed people in the UK aged 60+ years (180,000) are women. Using a range of sources, we would estimate that around a third of all self-employed women in the North are over 50 years old or around 60,000 ventures.

A significant number (around 25%) of these older self-employed share many of characteristics recently highlighted by the US Small Business Administration in their analysis of older, self-employed women in the USA. They noted (and it seems to be the case in the North of England) that:

- There is a strong association between holding a managerial occupation and industry sector participation and self-employment among women,

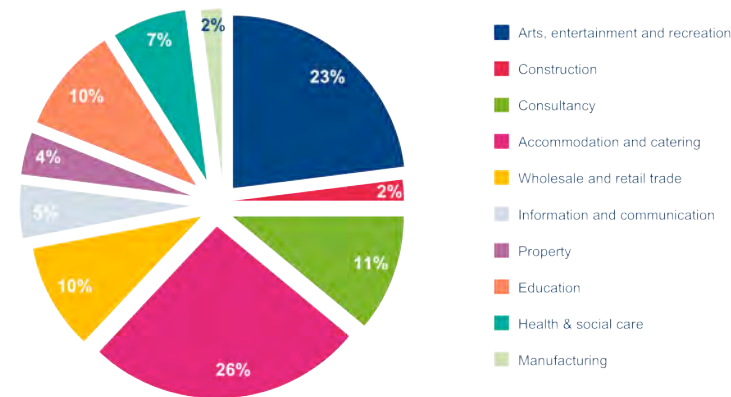
<sup>51</sup> White, S (2011) Statistics on Older Entrepreneurs BIS, Sheffield.

- By a slight margin more self-employed women had a college (University) degree than self-employed males, and self-employed women had more education than wage- and salary-earning women,
- Most self-employed women fall into either the lower earning quadrant, or upper earning quadrant.

Besides this we noted that:

- A high proportion of the self-employed women (over 30%) were 'returners'
- More older women who were self-employed had a background in the public sector<sup>52</sup> than men (28% against 12%).
- The range of businesses operated by self-employment women is narrower than those operated by all older self-employed in the North.

**Figure 17: Sectoral analysis of self-employed women**



One of the most striking features of this analysis lies in the percentage of women would described their ventures (even if self-employed) as social enterprises — around 45%.

### **Ethnicity**

Analysis of the self-employment and entrepreneurial activity among Seniors from the Black and Minority Ethnic (BME) populations in the North poses a series of data and related challenges. There is no doubt that there are some outstanding examples of senior entrepreneurs in the BME populations in the North like; Assem Allam one of East Yorkshire's most successful businessmen and Iqbal Ahmed from Manchester. There are, however, serious limitations imposed by the data on BMEs especially for the age cohorts in question. For example, none of the Nomis, VAT or new Business Demography datasets breaks down the regional data by age *and* ethnicity.

<sup>52</sup> Note that this is based on very small numbers.

This is not surprising as the best estimates are that; BME owned businesses appear to account for less than 4% of the total stock of businesses in the North<sup>53</sup>. Extrapolating from this, this study suggest a stock of, at most, around 15,000 BME business (including the self employed) across the North. It is estimated that the average age for a BME business owner—manager is 35 years old — five years younger than the regional average (as above based on a 2005 study of the North West with no sources identified for the data).

Given the available data on over 50s, for the whole self-employed/business owning population, this suggests that around 10% are over 50. This implies that there at most senior 1,500 BME Business Owners across the North in our target groups. This is even less, if we apply this analysis to VAT Registered businesses, suggesting at most around 1,250 BME owned VAT registered businesses in our cohort.

Omar *et al's* study<sup>54</sup> of Black and Minority Ethnic (BME) in North West England highlighted some interesting age related evidence on the North's BME populations;

**Table 23: BME Entrepreneurship by age in the NW England**

	% over 50
<b>Female</b>	
South Asian	10
Black	13
Chinese	11
Others	7
All	10
<b>Male</b>	
South Asian	13
Black	
Chinese	8
Others	27
All	12
<b>Total</b>	
South Asian	11
Black	7
Chinese	9
Others	16

Source Omar *et al.* (2006)

<sup>53</sup> even this based on a 2005 study of the North West with no sources identified for the data.

<sup>54</sup> Omar, *et al.* (2006) Black and Minority Ethnic (BME) Small Business Owners: a comparative study investigating the Problems, Experiences and Barriers faced by BME female and male entrepreneurs in North West England, Manchester Business School.

This data, based on a fairly small sample, indicates that the proportion of over 50's who are self-employed or running their own businesses in the BME population is significantly smaller than in the overall population. This may be explained by the relative youth of ventures owned and led by members of the BME population, with over 60% less than 5 years old.

***The 'demand' for ventures created for and by the 'over 50s'***

There is little evidence that senior entrepreneurs build their businesses specifically around the delivery of products or services demanded by seniors. Evidence is equally sparse on the wish of seniors to purchase products or service from senior entrepreneurs. Even Saga, perhaps Britain's best known businesses focusing on the needs of older customers, was founded by Sidney de Haan when he was in his early 30s.

Any attempt to explore the business opportunities created by an ageing North needs, therefore, to look more widely than the provision of goods and services by seniors for seniors. That is not to say that new and existing businesses run by seniors do not have advantages in this environment, but they will need to compete against new and existing businesses across all age groups and from a range of environments. Seniors provide a pool of talent to exploit new business opportunities just as seniors are a growing marketplace across the globe for new and old products seeking new and existing markets through novel and existing technologies and processes.

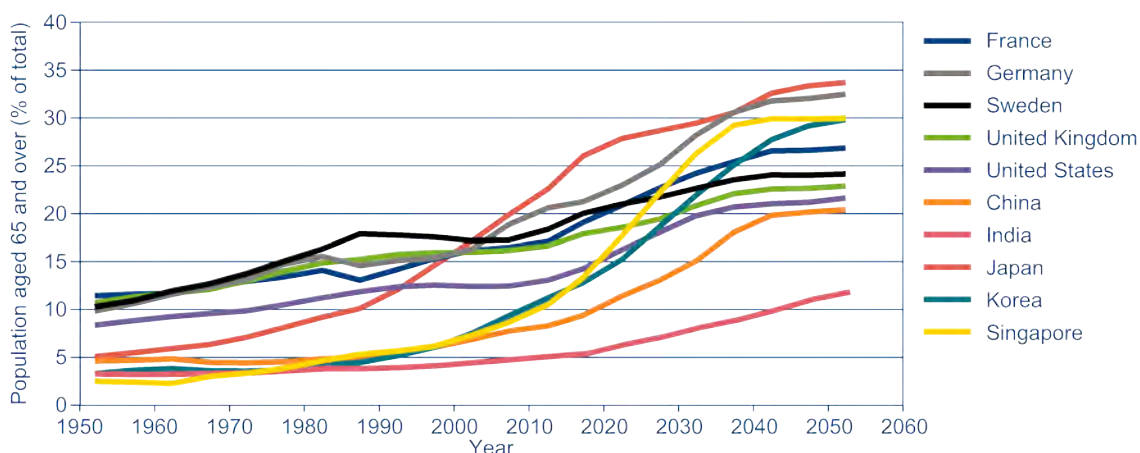
The North has additional assets in exploiting this opportunities emerging and created. These range from the maturity of the marketplace, through the growth of self-employment and entrepreneurship to the strength of related research in the North's Universities.

**Table 24: University research centres in the N8 universities focusing on the sciences and technologies of ageing**

University	Focus and/or Unit	Leader
Lancaster	Centre for Ageing Research	Professor Christine Milligan
Leeds	Institute of Medical and Biological Engineering	Professor John Fisher
Liverpool	Institute for Ageing and Chronic Disease	Professor Malcolm Jackson
Manchester	Geriatric Psychiatry	Professor Alistair Burns
Newcastle & Durham	Institute for Ageing and Health	Professor Tom Kirkwood
Sheffield	Rehabilitation and Assistive Technology Research Group	Professor Mark Hawley
York	Ageing Society Research Network	Professor Andrew Monk

Experience elsewhere has important insights for the development of markets and opportunities. Although many countries around the world are grappling with the implications of ageing populations, Japan has had the most rapidly ageing society. This has required rapid adjustments and innovative responses in the marketplace.

**Figure 18: Global patterns of ageing**



Source: *World population prospects. 2008 Revision, United Nations*

The Japanese experience suggests that the 'seniors' marketplace can broadly be divided into five sub-sets:

1. **Lifestyle and quality of life** — in effect those markets where the relatively affluent and healthy among the over-50s seek to use their prosperity and health to maintain or improve their quality of life.

Perhaps the classic response to this was the creation, growth and expansion of Saga Group in the UK. Opportunities exist and are being realised across the leisure, retail, accommodation, catering, personal services, arts, entertainment, recreation, travel and, in some cases, clothing, cosmetics and other targeted products.

2. Personal development, sometimes called **life enhancement**, technologies or services — often related to 'filling gaps' in past opportunities and experiences or securing better health and self realisation.

There is an array of markets emerging to meet the demands of this market. These range from education with initiatives like the University of the Third Age through developments in information and related technologies to the expansion of fitness and leisure centre facilities for more mature clients and customers to preventative medicines and nutrition.

3. **Assisted Living** focuses on products and services designed to enhance the quality of life, health, wellbeing and independence of people in the senior marketplace.

Business opportunities the field of Assisted Living can be analysed in terms of the matrix below with related illustrations.

**Table 25: Assisted living business opportunities**

	Remote	External	Internal
Electronic	Wireless Sensor Networks and related response teams	Mobile and Wireless Technologies Safe driving technologies	Personal alarms Pendants Home robots Smart metering Touch technologies
Physical	Call centres Resource centres Book and reading groups	Security companies monitoring homes Remote health management solution	Rehabilitative Technologies and services Nutrition Electronic readers Wireless smart pillbox Cleaning services
Personal	Advisory services Emergency numbers	Shopping and other delivery services Pro-active home monitoring	Respite services Live in carers provided by firms like Saga Hairdressing

There is a growing consensus that the effective delivery of these products and services will turn on a capacity to under-pin them with high levels of security, monitoring, reliability which is why some larger companies in the building industry are placing consider effort into the development of smarter or smart homes.

Many of the products and services highlighted above match well against the capacity of new businesses formed by seniors in the North such as shopping and other delivery services, pro-active home monitoring, security, advisory services, consultancy and technical support, personal care while others like the development of remote sensor technologies and robots seem likely to require input from larger firms.

4. Despite the success of Assisted Living initiatives **High Intervention Personal Care** will continue to be a major part of the senior economy.

Research for this project by the team from University of Leeds has, however, highlighted major changes that seem likely to impact this area massively. These include:

- The growing number of older couples
  - The increasing numbers of mentally and physically disabled requiring care from outside the family
  - Large numbers of 'the very old'.
5. **Medical interventions** can have an impact at every stage from improving the quality of life of 'fit and healthy' seniors through to care for the very old and problems like dementia.

The scientific and technological platforms exist in the North's research Universities to achieve global leadership in fields like those in the table below

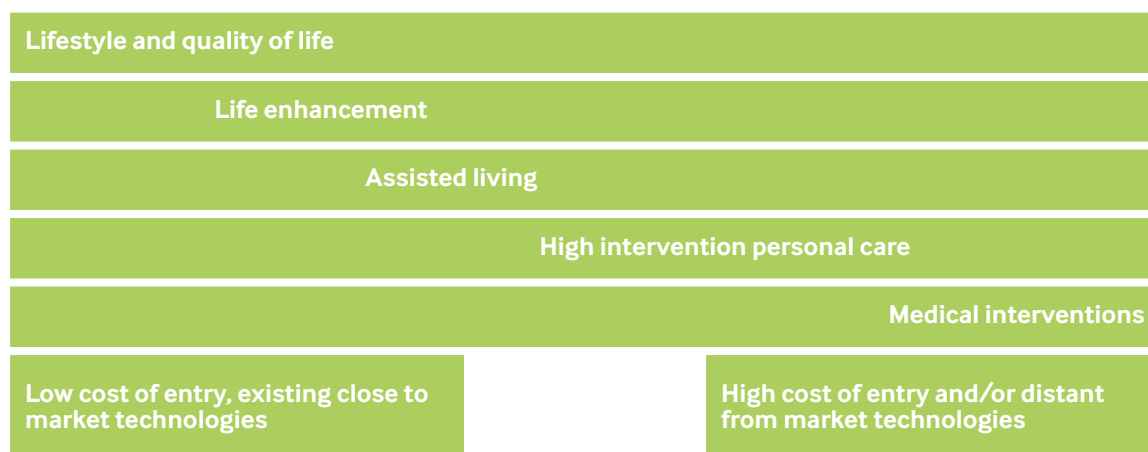
**Table 26: Scientific and technological platforms in the N8 universities**

Arthritis diagnosis and treatment	Knee joint replacement
Assistive technology	Low wear hip replacement and related materials technologies
Bioengineering	Microvascular Measurement
Bone Mineral Measurement	Musculoskeletal Science
Critical Care Physics	Rehabilitation and Assistive Technology
Devices for Dignity	Signal processing and sensors
Electronic assistive technologies	Speech-controlled Environmental Control Systems
Eye and Vision Science	Spinal disk replacement
Geriatric psychiatry	The treatment of amyloid-related diseases
Heart valve transplants	Tissue engineering
Treatment of inflammatory rheumatologic diseases	Usable Home Technologies
Joint replacement and biotribology	

### Opportunities for new and existing businesses

Although it would be wrong to simply place the markets identified above along a spectrum from Low Cost of Entry/Close to Market to High Cost of Entry/Distant to Market, these points provide some useful clues to nature of the opportunities for new/small businesses and existing/large businesses.

**Figure 19: Business opportunities and cost of entry**



### Entrepreneurs from the Public Sector

The impact on employment of changes in the public sector in the North is currently a subject of intense debate. Estimates of job losses across the North over the next five years range from just over 100,000 to well over 200,000. Local Futures estimates that the five 'Core Cities' in the North alone will lose around 35,000 public sector jobs over the next five years.

The available evidence on the age profile of those losing their jobs is mixed. Some data suggests that those older employees that had spent a long time with their employers were less likely to lose their job than younger employees. If, however, length of service is discounted older employees are more likely to lose their jobs.

More recent, ad hoc surveys suggest that older employees — regardless of service — were more likely to lose their jobs. This is explained partly in terms of their (generally) higher remuneration and, in some contexts, the availability of greater financial benefits for older workers. Although the evidence on jobs losses is mixed, there is less ambiguity on the prospects of older employees finding subsequent work especially for those aged over 45. These are less likely to find paid employment than younger workers.

This evidence would seem to suggest that significant numbers of older workers in the public sector will lose their jobs over the next five years. Currently around 40% of all workers in the public sector are aged between 46 and 65 suggesting that these age groups will make up, at least, a similar proportion of the 100,000 workers in the public sector losing their jobs over the next few years i.e. at least 40,000 people.

Superficially these public sector employees ought to have many of the skills, competences, networks and knowledge to enable them to operate successful as self-employed or create growth potential businesses in markets in which seniors have prospered or have needs. In general, individuals in the public sector in the North are more highly qualified than their private sector counterparts.

Significant numbers of those working in the public sector have competences needed by a growing senior marketplace in areas like professional services, education, skilled trades and personal services. These specialists make up over a third of the public sector workforce. Besides these managerial and senior officers are likely to have many of the networking, communication and core management skills to build successful businesses. The associated professional and technical category (over a quarter of all public sector workers) includes IT logistics and other skill sets which can be translated into both self-employment and business development.

Together this would suggest that both the competences and the opportunities exist for new firm formation by senior leavers from the public sector. Reference was made earlier to the Eurobarometer analysis of preferences between being employed and self-employed. A small number of those surveyed in the North were from older people currently working or recently having left the public sector.

Among these there were strong preferences for self-employment and business creation among managerial and senior officers, skilled trades and personal service occupations. There

were greater reservations about self-employment and a strong desire for continued employment among some professions, doctors, secondary education teachers and associate professional and technical workers. Other significant groups in the public sector workforce notably administrative and secretarial occupations wanted neither.

Experience of entrepreneurship or self-employment through either knowing someone who is either running a business or has recently started a business seems to have influenced their attitudes. Virtually all (the small number of) managerial and senior officers, skilled trades and personal services workers said that they know someone who is either running a business or has recently started a business, while only two of those we could define as administrative and secretarial responded positively to this question. In the same way, the people who knew someone self-employed or running a small business believed they had the skills, knowledge and experience to start a business.

Beyond these generally positive factors three, more troubling issues emerged;

1. The fear of failure and reluctance to take risks as the dominant barrier to starting or investing in a small business among all groups apart from managerial and senior officers
2. Self-employment through 'consultancy' broadly defined was the preferred option for almost all in the managerial and senior officers, while the picture among skilled trades and personal service, associate professional and technical staff was broadly similar with talk of self-employment and freelancing dominating their aspirations. Somewhat surprisingly educators<sup>55</sup> appeared to have the widest ambitions to build larger (but still small, low risk) ventures. In contrast, they seemed to see themselves most lacking in appropriate skills and knowledge.
3. All saw their current employers as actively or passively discouraging any thought of self-employment or business creation.

At a time of massive change and restructuring in the North's public sector workforce, there appears to be real potential in terms of numbers, capabilities and (some) skills in the workforce. Assuming some approximation of the numbers projected as leaving the public sector is true, the potential exists but it would be wrong to ignore the earlier research by Gibb<sup>56</sup> and others<sup>57</sup> on the deeper behavioural and psychological challenges they may face.

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<sup>55</sup> The small numbers poses a real issue here illustrated by the two police officers interviewed both of whom had clear ideas about their future in the security sector.

<sup>56</sup> Gibb A (2001) Creating conducive environments for learning and entrepreneurship — living with, dealing with, creating and enjoying uncertainty and complexity. Paper presented at the First Conference on the International Entrepreneurship Forum, Naples, Italy, June.

<sup>57</sup> Mazzarol T, Volery T, Doss N and Thein V (1999) Factors influencing small business start-ups: A comparison with previous research. *International Journal of Entrepreneurial Behaviour & Research* 5(2): 48–63.

## Key conclusions and policy implications

The clearest conclusion of this research is that real opportunities exist at all levels to address not only deep rooted problems for the North like the low rates of business formation and the relatively small stock of small and medium sized independent businesses, but create a 'new' economic, growth trajectory for the Region(s). The effective bringing together of five key issues is central to this.

These five issues are:

1. Recognition and prioritisation of the extent of change and the scale of the opportunity
2. Better co-ordination of existing resources, rather than new resources, is crucial
3. Particular opportunities exist for newly formed firms including those by the 'over 50s' in the lifestyle and quality of life, life enhancement and assisted living markets
4. The restructuring of the public sector presents real opportunities but there are major barriers to capitalising on these opportunities
5. There are important gaps in the evidence base

Especially important is recognition and prioritisation of the extent of change and the scale of the opportunity. There are gaps in the evidence base. Some of the data collated here is based on tiny samples but the overall picture is consistent — the opportunities exist and must be prioritised by policy makers.

It is not, however, clear that significant net new resources are required but better co-ordination of existing resources is crucial. Centres like Institute for Ageing and Health are, in many ways, showing the way. Breaking down barriers within HE between science, technology and business and economics is a first step in effectively disseminating the remarkable amount of world class research on Age related topics currently taking place in the Region's Universities. Large firms, typically, have the skills to access this data but SMEs need more support.

Unless these technologies are especially 'close to market' it is unlikely that newly formed firms will be able to exploit them effectively. There is, however, considerable potential for newly formed firms including those created by the 'over 50s' to capitalise on the other market and business opportunities emerging from the demographic change in the North. This is especially true in the lifestyle and quality of life, life enhancement and assisted living markets. Highlighting the scale of the opportunity is not likely to be sufficient to realise their potential especially with key new entrepreneurial groups.

Particular attention was paid in this project to the opportunities that might emerge from the restructuring of the public sector. There are, however, major barriers to capitalising on these opportunities most especially in the evidence of high levels of risk aversion. Training programmes such as those identified in the case outlined in this report seem to be able to reduce this risk aversion, while provide skills to survive and grow. The backing of the private sector, notably the financial community is an essential element in developing and embedding these programmes, while local authorities have been key partners to date.

In another context, where large firms have restructured leading to reductions in the workforce, the companies have often initiated this type of support and training. The opportunity exists in the public sector to match this, while adding further dimensions. An illustration might be the interest shown by those in developing social enterprise in areas like arts, recreation, leisure, education. The pace of change in the public sector may reduce the potential for this.

Although much of the above refers to the opportunities and needs of all potential 'senior' entrepreneurs particular attention should be paid to female silver entrepreneurs. The growth of the BME community is not fully reflected in the analysis in part because of the lack of quality data. Alongside these, three factors are generally seen as especially important in determining the likely success of new businesses founded by seniors. These are; peer support, like those created in Stockport, 'enterprise skills' broadly defined, and access to resources including finance.

The comment above on the evidence base cannot be stated more emphatically. The gaps exist on several levels ranging from the limited evidence on, for example, the attitudes in the public sector to self-employment, through absolute lacuna in areas as diverse and as potentially important for the North as behaviours in rural economies.

A further example of the potential problem is the debate that occurred at BIS in Sheffield on mobile senior entrepreneurs. There is some evidence that mobile senior entrepreneurs dispose of property assets in Cities like Manchester and Leeds to buy cheaper property and start 'lifestyle' businesses in places like Hebden Bridge. There is no substantive evidence on this. There is some anecdotal evidence that senior entrepreneurs with established businesses in major urban areas view this type of move as attractive.

Equally important at the heart of any attempt to build a picture of business formation rates and patterns of business development by the over 50s is the lack of any official data which distinguishes between those over 50's who continue to be self-employed or operate their businesses past the age of 50 and those who start new businesses after reaching 50 years old.

There is little evidence that senior entrepreneurs target the delivery of products or services demanded by seniors generally, while evidence is equally sparse on the wish of seniors to purchase products or service from senior entrepreneurs. Any attempt to explore the business opportunities created by an ageing North needs, therefore, to look more widely than the provision of goods and services by seniors for seniors. That is not to say that new and existing businesses run by seniors do not have advantages in this environment, but they will need to compete against new and existing businesses across all age groups and from a range of environments.

## **Case Studies**

As part of the study, case studies were developed based on two interventions support seniors seeking to develop their businesses. These interventions took two basic forms — ‘Silver Entrepreneurs’ programmes in the North West and Yorkshire and the Career Viability of Self Employment for over 50s — North East ESF Enterprise Pilot

### **Scope and purpose of report**

The purpose of this section of the paper is to provide case studies of entrepreneurs who have started businesses in later life, the majority over the age of 50 and some in their late forties.

“Silver Entrepreneurs” programmes in the North West and Yorkshire (Tim Dugdill — The Silver Entrepreneurs Network)

The interviewees were drawn from Calderdale in Yorkshire, Knowsley and Halton on Merseyside and Stockport in Greater Manchester.

Most had attended business start-up workshops, ‘Silver Entrepreneurs’, although one had started without any intervention.

The case studies included the following information

### ***Age***

Eighteen entrepreneurs were interviewed, the age profile was

- 40+ .....3 interviewees
- 50+ ..... 11 interviewees
- 60+ ..... 3 interviewees
- 70+ .....1 interviewee

### ***Gender and ethnicity***

All interviewees were White British, comprising

- 8 Female
- 10 Male

### ***Terminal education age***

Of the those interviewed

- 8 interviewees had left school without any further education qualifications apart from ‘O’ and ‘A’ level GCE’s
- 10 interviewees had been to Higher Education Institutions and had degree or similar qualifications.

## **Sectors**

The interviewees comprised the following sectors

- Agriculture [1]
- Business Services [4]
- Construction [1]
- Creative [1]
- Financial Services [1]
- Health [2]
- IT [1]
- Manufacturing [4]
- Retail [2]
- Tourism [1]

### ***Were the interviewees 'opportunity' or 'necessity' entrepreneurs?***

With many of the interviewees, this was not straightforward, most responses were far more complicated than a definitive answer, but can be divided broadly as

- Opportunity..... 12 interviewees
- Necessity..... 6 interviewees

The case studies which follow deal with this in depth and explain why, in many cases, the answer was not simply one or the other.

### ***Did the interviewees have any personal background in enterprise?***

This was an overwhelming 'no', only one interviewee had any background in enterprise, which was a male whose family comprised four generations in textile engineering.

### ***Did any interviewees have any family background in enterprise?***

Four interviewees had family background in enterprise, all comprising husband or wife in enterprise.

### ***Did the interviewees start their business with a view to providing survival income or to start a business with growth potential?***

Only one interviewee stated that they started their business purely for survival income.

Most started their businesses with a definite view to expansion and growth to provide a business to sell and supplement their retirement income.

Interestingly, many initially started their businesses with a desire to earn income for themselves, but very quickly saw the potential for growth and changed their views. Without

exception, this was because they quickly became excited about being in business, enjoyed the experience and saw the future potential.

All interviewees found being in business very enjoyable and rewarding, albeit very challenging.

### ***Did the interviewees come from the public or private sector?***

Only two interviewees had been working in the public sector

## **The Cases**

### ***Kay Barret — Greystones Cottage Holidays***

Sector: Tourism, Location: Calderdale

Age 57 Female

Left School aged 18

White British

Her background was mostly administrative work, including a long spell in a GP's practice. For the last 7 years she was a Councillor in Calderdale, "Council duties make it difficult to have a full-time job," which is why Kay went on to the Silver Entrepreneurs course and has started her own small business

Her business is Bed and Breakfast and Holiday Accommodation lets and she has no other employment. She sees herself as an Opportunity Entrepreneur. Running holiday accommodation has been on her mind for some time and she has taken the opportunity to finally achieve this, partly because of the Council scheme to assist new entrepreneurs

Kay has no background in enterprise but she found the Silver Entrepreneurs two day workshops very helpful and the follow up advice available through Calderdale Council

The reasons for creating her business was threefold:-

- [a] Income to supplement Councillor's allowance
- [b] To create an established business in a converted barn,

To sell if and when she may choose to sell her property

- [c] If it is successful, she expects to employ one or two people to run the business, allowing her more time with other activities

## **Anne Boyce — BFW Reptiles**

Age 50 Female

Sector Retail, Location: Calderdale

Anne left senior school and joined the WRENs, where her qualifications ended 10 years later when she left the service

White British

10 years with the WRENs

Private sector working for housing associations mainly in administrative work Currently a Finance Officer for local authority. Her business is breeding reptiles for sale, working with a partner who will run the retail outlet for the business

Anne is currently working as a Finance Officer with a Local Authority, but is 'at risk' of redundancy and has been issued with a section 188 notice The threat of redundancy has been hanging over Anne for some time now and, rather than seek another job where she may again be 'at risk' she wanted to go into business on her own to avoid this risk in the future.

She has already started the business in her spare time, which is expanding already and showing strong signs of sustainability.

"Reptile breeding is not a '9 to 5' job; it needs dedication and the necessity of working all hours, including evenings and weekends". For this reason, Anne has been able to start her business whilst retaining her full time role in the public sector

Sees herself as an Opportunity Entrepreneur

Possible alternatives were seen, other posts in the public sector were possible, or the private sector, but starting a business was seen to be the most attractive, especially with a probable redundancy package to provide start-up funds

Anne has started the business with a partner, she will be responsible for the breeding of the reptiles and her partner will run the retail outlet. If everything goes to plan, they will certainly need to employ at least one additional person in the retail outlet and, if the business continues to grow at the current rate, the possibility of further expansion is good. Anne has no pre-conceived plan for the size of the business; she will be delighted to grow it to its potential, and whatever that potential may be

Anne said 'Even if they don't get rid of me [the public sector] I think I may run the business full time, it's more fun and I don't have bosses running my life, I will be running my life'

## **David Brewerton — Squirrelhouse Ltd and Website Freedom**

Sector IT

Left Education Aged 21 Degree at Post 1992 University

Location Calderdale

Age: 48 Male

White British

David has worked in IT throughout his career, developing computer systems, especially SAP

IT professional and website designer and advisor specialising in eco-friendly web sites that, once built, you can change yourself, “we arrange for a tree to be planted for every website we build.” The business extends from single page websites to e-commerce.

“We also provide, either personally or through associates, relevant complementary services such as experienced professional help in organising your business IT and processes, professional photography and graphic design e.g. e-commerce sites often benefit from branding through graphic design, good quality professional images and design of your business processes to make order processing, supplier communications and record keeping arrangements.”

Target Market: Manufacturing systems, his main area of expertise, were changing and not being developed to the standards with which he had become accustomed.

For this reason, plus the fact that he has RSI, he applied for redundancy. He received no answer and then changed his mind but, because he had already expressed an interest in being considered for voluntary redundancy, he then headed the queue when compulsory redundancies were announced.

Sees himself as a Necessity Entrepreneur — Because of his RSI, driving around the country, which would be required in most work that he had undertaken, was going to be very difficult, possibly dangerous. He then decided that the only viable alternative was to go into business on his own. He could see no safe alternative.

No substantive entrepreneurial experience. “Not really, apart from one uncle who lived in Buckinghamshire”, who he visited to seek advice He wants his business to grow large enough to employ son and daughter but, in the first few years, it will primarily be to support himself and family

He never wants to form a large business, a family business with perhaps one or two additional employees

He is finding it difficult in the early stages, but was advised that this would be the case for all new businesses, so he is plodding on, growing slowly but surely “I wasn’t sure I would get much out of these workshops, but I’m really pleased to have come. and a great way to learn. Very pleased indeed!”

## ***Sue Brook-Wood, — Spirit of Pegasus***

Agriculture

Left School at 16

Calderdale

45 Female

White British

Secretarial and administration, including working in husband's business that eventually went into liquidation

Nature of Business, Equine Touch — Sue is a practitioner of Equine Touch and Equine Aromatics, which addresses the whole horse, providing physical benefits and emotional rebalance.

Sue has suffered from Multiple Sclerosis for nearly 30 years during which time she has always worked with horses. She became aware of Equine Touch; a therapy started in America, and decided this was her calling. Because the MS can attack at any time, being self-employed is an ideal option. See her business as mainly opportunity "and ambition", but with some Necessity. "it being easier to be self-employed for someone having a disability, rather than work to someone else's schedule and requirements."

Alternatives exist, Sue is very capable of gaining full-time employment, but ambition and desire to do this work, plus the fact that self-employment is easier for her with the MS condition, make this the most attractive option. Has some small business experience as her husband had his own recycling business.

For the first year, Sue plans to have the business to generate income for herself, to survive. In the future, it will be possible to teach other people Equine Touch, and they will be able to practice the technique through her business as a trained practitioner.

Sue has a daughter of 14 who shares Sue's love of horses, sometimes accompanies her and is very interested in becoming a practitioner. The business will therefore have opportunities for her daughter to work with her mother, or indeed start her own practice, which is in Sue's mind.

One of the major reasons for Sue doing this work, in her words "my passion for my work makes the work a joy rather than a chore, I have never been happier in any work I have ever undertaken."

"The workshops were extremely informative and I totally enjoyed the humour and interaction from everyone, especially Tim's delivery. Would highly recommend the workshops to anyone thinking of going into business."

### **John Buckley — Minuteman Press**

Creative [and partially manufacturing — printing]

Left University at aged 24 with degree

Stockport

60 Male

White British

Two years in manufacturing in Kenya, then one year teaching in Kenya.

For 5 years, on his return from Kenya, John was involved in manufacturing. For the next 27 years John was a full time teacher, taking early retirement when the opportunity arose. John had enjoyed all his years teaching, although some of the changes through the years were difficult, but he felt he 'had had enough' and really wanted to start his own business.

Printing — John took out a franchise with Minuteman Press which, whilst allowing entrepreneurs to run their own businesses, provides national marketing and back-up.

John started the business because he had far too much to offer at the relatively young age of 60 and wanted the income to supplement his teacher's pension. Starting his own business was always an ambition, not particularly in printing, but the Minuteman Press franchise was interesting and, potentially, lucrative.

Sees himself as an Opportunity Entrepreneur

John could have carried on teaching, or worked as a teacher through agencies, but no longer wanted to do this.

John wants to build a business with a view to selling in 5 years when he will have his full pension. John said that, whilst teaching had changed, and wasn't as much 'fun' as when he first started, his reasons for leaving the profession were not because he'd as much as he could take, he still enjoyed teaching, he just felt that 27 years teaching was 'enough'.

He thoroughly enjoys being in business, attends many networking events and has really adapted well to being an entrepreneur. John attended Silver Entrepreneurs in Stockport three years ago and found the information invaluable. He also really enjoyed being with others starting a new business in later life, it gave him much confidence.

## ***Patrick Burke — Knowsley START***

Social Enterprise

Left School at 16

Knowsley.

Age 70 Male

White British

All working life as a joiner/carpenter

Knowsley START is a social enterprise supplying training for disabled people, those with learning difficulties, special needs and disaffected youths

This business has been included because, whilst the business was not started by Pat Burke, his entrepreneurial flair is the only reason the social enterprise has survived and prospered. Pat Burke was made redundant from his work when he was in his late forties, he could not obtain employment and was sent along to help out at this newly formed charity. He did not like the work and left after the first morning, but returned the next day and is still there over 20 years later.

Sees himself as a Necessity Entrepreneur.

At the time, Pat could see no alternative, it was the late 1980's and there was "simply no work around."

No background in business.

Pat was appointed manager a few years after joining the organisation and then proceeded with an entrepreneurial flair which was new to him, and which he didn't realise he had until this time.

Since being appointed, Pat has grown the business from strength to strength, innovative new ideas were introduced, including selling the products they manufactured. Pat said, 'I came here 23 years ago and couldn't bear to work with disabled people. I felt compassion but found it very difficult. The move was life-changing for me, within a few days I started to love working with disabled people, thrived on the experience and, 23 years later, I'm still here!'

Pat has never had any instruction on running a business, he "learnt by his mistakes".

## ***Sue Dugdale, — Sue Dugdale Consultancy***

Business Services

Left School at 18

Stockport

51 Female

White British

Sue's entire career was in banking, with Lloyds and HBOS. Because she had no qualifications, she "grew through the ranks", eventually reaching Business Development Manager status and, for the final years, Team Leader in Operations Business support specialist, especially financial advice. No current business, but Sue is doing temporary employed work for the March census. This will finish in April and is being undertaken solely to supplement her new business in the early stages.

Sue had been looking for the opportunity to leave the bank, much had changed, not necessarily changes she wanted to see, and she looked for an opportunity for voluntary redundancy. When this arose, she knew she wanted to leave the banking industry, but wasn't certain if she wanted to start her own business or seek alternative employment 'doing something different'

When the time arrived, Sue wasn't certain if her skills were as transferrable as she had hoped, and she decided that she would be better off passing on her skills to others, which is where her business is now directed. Now she has made that big step, she is thoroughly enjoying being in business and relishing the challenge. She thrives on the interaction with potential customers

Sees herself as an Opportunity Entrepreneurs.

Had plenty of alternatives, Sue could have stayed at the bank if she had wanted, there was no pressure on her to leave, the reverse in fact, because she was very good at what she did. The bank were reluctant to lose her and she had to fight for the opportunity for redundancy. Her husband has been in business for most of their marriage as a merchandiser.

Aspires to grow a business for possible sale. "I attended some Business Link workshops and found them interesting."

## *Warren Goodall — Warren Goodall Consultancy —*

Construction

Graduate, left education at 22 BA Honours

Calderdale

51 Male

White British

For the last ten years Warren has worked in the materials supply industry, specialising in natural stone products. His business worked with small construction businesses to examine, plan and execute business development plans to match company strengths with market opportunities in the “natural materials market.” Warren has just taken full time employment so, whilst his business is only ‘ticking over’ at the moment, his story is interesting and has therefore been included in this review.

Warren was made redundant in April, 2010 and wrote off for many jobs. He got few replies, putting this down to his age, having turned 50, but did have one positive interview. Unfortunately, he was pipped at the post for that job, so decided that he would go into business by himself. He traded very successfully for 6 months but, out of the blue, was offered the job he had failed to get earlier in the year. The person they had recruited, for whatever reason, had proved unsuccessful, and Warren was offered the job.

Because Warren had already successfully started on his own he said he would like to do the work, but could he do it through his business that he had established. He had worked to create the business and didn’t want to lose it? The company declined this offer, so he has taken employment with them, the only method the company would accept.

Warren has kept his company, will do small pieces of work to keep the company alive and, if a similar redundancy situation arises, he will be ready to grow his business again.

Saw himself as a Necessity Entrepreneur with no alternative at the time than to start his own business.

Warren wanted the business purely to provide an income for himself, he did not want it to grow. Warren thoroughly enjoyed his 6 months in business and, whilst his short employment is so far enjoyable, he is not afraid of redundancy now and will go straight back into his own business if the worst happens.

## **Martin Haigh — Lattitude 7 Ltd**

Business Services

Continued through working life

Huddersfield University — Degree in Mechanical Engineering

Leeds University — Phd

Masters Degree in Computing

6 Sigma Black Belt

Calderdale

57 Male

White British

Originally engineering, but moved into leadership training as Director of Product Development at WABCO Group in Germany. This was a global role for WABCO as leadership director “Training for Businesses” in the public sector, especially the Police.

There are three distinct areas to the business

1. Team Building
2. Operational Excellence
3. Personal Development

Martin was made redundant from WABCO, the company had lost more than 40% of business, were shedding many jobs and the business was becoming more Germany centric. Martin originally applied for jobs, which he was fairly certain that, with his expertise, should be relatively easy to obtain. Whilst he was applying for jobs, he did some consultancy work on a self-employed basis, from which, more and more offers came to him for consultancy work that he decided there was a definite business for him.

Sees himself as an Opportunity Entrepreneur with plenty of alternatives but starting a business became the most attractive way forward.

Martin wants the business to grow, to employ an additional trainer and one administrative staff. He does not want the business to grow more than this, it would become too much of a liability and workload and, at 57 now, he sees another five to ten years in business.

Martin said “I found the transition from being a small cog in a big wheel to a large cog quite demanding. I was helped by good advice, especially from Silver Entrepreneurs, the workshops I attended prior to starting my business”.

## ***Shirley Howie — Vita Wellness Centre and Herbal Life***

Health

Left school at 16 no further education

Calderdale

Age 53 Female

White British

For most of Shirley's working life, she worked for her husband's business, which was menswear agency, a middle man between manufacturer and retail. For 7 years, Shirley ran her own florist Wellness Centre and independent distributor of Herbal Life vitamin products and diets.

The catalyst for starting Shirley's own business was when her husband's business failed two years ago. He had to have two major operations on his back, which meant he could not undertake the work he had been doing, which included delivering and carrying menswear products to retail outlets. Because of this, his business collapsed and they had no alternative but to start another business.

Sees herself as a Necessity Entrepreneur as neither Shirley, nor her husband Andrew, had ever been employed by others, so they had no CV, to speak of, and it was a natural progression for them, or at least Shirley, to start another business.

Andrew's health returned, at which time they have decided to expand the business into their own centre, in which Andrew will be an integral contributor to the business.

Shirley, and now Andrew, very much want to create a business which will grow and employ more people. Part of their work is to train other people in their work, especially for Herbal Life, and that training, when trainees will become Wellness Coaches, will provide further income. They have, over the years, become used to a good standard of life, and they want to return to that at the earliest possible time, the last two years have been difficult.

Their ultimate goal is to create a business which can be sold to provide a good pension for both of them. Shirley said 'I've never worked for anyone and I never intend doing so!' When I told Shirley that many people who had started their own successful businesses without any qualifications after leaving school, she was not surprised. I found all the subjects were explained really well and it was good to be in the group environment, seeing other people with the same worries about starting a business. Going through the process of the profit and loss projection was a really good exercise.

## **Colin Hughes — FM Consulting [UK] Ltd [and Utility Warehouse]**

Retail

21 University degree in Business Administration

Stockport

53 Male

White British

For 15 years, financial controller in truck rental, Ryder Truck Rental, General Manager with Securitas, later Group Development Manager.

For 5 years, ran an office rental business with a partner. As the name FM Consulting Ltd suggests, Colin had originally started his business to pass on his skills in financial and general management but, during the course of this, he came across an interesting sales opportunity in utilities, Utility Warehouse.

He runs his two businesses, consultancy and Utility Warehouse, under the same company, FM Consulting [UK] Ltd His consultancy work includes asset management, business management and financial management advice. Utility Warehouse offers customers the opportunity to combine all their utility charges into one invoice and offers considerable savings.

The reason Colin started his first business five years ago was because he saw colleagues who were in their fifties start to be made redundant or dismissed, and he felt it was age related, it always seemed to be people in their fifties. He didn't want to suffer a similar fate and was waiting for the first opportunity to take voluntary redundancy to start his own business. He wanted to move positively, in his own time, and not be 'put out to grass' when it suited his employer.

This opportunity arose when he was in his mid-forties, he grasped the chance, took redundancy and went into partnership with a colleague doing office rental. This was satisfactory, but he really wanted to 'be on his own' so he sold his share of the business to his partner and started this new business.

Sees himself as an Opportunity Entrepreneur with plenty of alternatives, but not what he wanted to do, he wanted his own business. Has "most definitely" started the business for growth, with a view to selling the business but no time scale on when he wants to sell.

Colin had grown weary of the corporate world, looking over his shoulder constantly, and really wanted to start his own business. He absolutely loves the cut and thrust of being in business on his own and making his own decisions Colin had already started his business five years ago before the Silver Entrepreneurs workshops were available. He is an active member of the Silver Entrepreneurs networking events in Stockport formed out of the workshop programme.

### *Alison Jackson — Caremark Calderdale Ltd*

Community [Health Care]

21 years of age as a state registered nurse

Calderdale

52 Female

White British

Most of her working life was spent as a state-registered nurse. For four years, she operated a franchise for Rosemary Conley's Fitness Club, but then returned to nursing. Caremark Calderdale is a domiciliary care provider, providing the highest standard of care for those who need help and who choose to remain living in their own homes.

Alison's husband, Peter, was manager of football clubs including Huddersfield Town, but was made redundant three times. During this time, Peter contracted throat cancer, which he successfully fought through and now enjoys good health.

Alison and Peter decided that they would no longer rely on the uncertainty of football management and, together, they would start a new business. They chose Caremark, which is a national franchise, partly because they could see the opportunity for the future, but especially because of Alison's background in nursing. They also had Peter's management experience from the football clubs, which was important for their future success.

Some element of necessity entrepreneurship but mainly the opportunity to be self sufficient' and not rely on employers. There was an alternative, Peter has been offered football management jobs but has chosen to stay in their own business.

Alison's nursing credentials are superb and she could have easily returned to nursing, but she chose running her own business as the desirable option For Alison, the four years running the Rosemary Conley Fitness Centre as a franchise was invaluable.

Most definitely building the business for growth and, hopefully, sale of the business in years to come. In the space of 12 months, the business has already grown to employ over 30 people and is still growing. From Alison 'We want to grow the business to be worth £2m then we retire and grow old disgracefully.

From Peter "none of my football management jobs were as hard as this, I may move back to football management and leave Alison to run the business so that I can have a rest!" Really enjoyed the workshops.

## *Jane Percival — Paua PR and Training Ltd*

Business Services

College for one year to 19, then Open University in her 20's currently undertaking a post graduation CE in teaching

Rochdale

52 Female

White British

All Jane's working life was as a journalist, latterly also training others into journalism relationship, reputation and image management, crisis communications, branding, marketing, media Relations, social media, online PR, competitive tendering and effective communications training for management and staff.

As a journalist, Jane saw little future in newspapers and was looking for the earliest opportunity to leave the industry and start her own business, something which had always been an ambition. Her last job was with the *Halifax Courier*, who were looking for voluntary redundancies and Jane took the opportunity to take up the offer and leave the newspaper industry.

Sees herself as an Opportunity Entrepreneur. Other jobs were available in the industry but, as she saw it as a dying industry, one in which she may go from job to job and suffer further redundancy, she branched out into something different.

Jane wants to build a business which will grow as much as possible, her ambition is "infinite".

She has no family that she wishes to employ, her reason is solely to create a business which she can sell in 10 — 15 years and give her enough pension to retire on. Jane's husband is currently employed in a local authority and is 'at risk'. If he loses his job, he intends to start his own business; his expertise is as a project manager in regeneration.

Jane's view of the newspaper industry is that "I no longer wish to be bossed around by some spotty-nosed Herbert who hasn't reached puberty yet!" Jane found the workshops excellent and said "lots of support."

## ***Hugh Stansfield — Contemporary Creations in Wood***

Manufacturing

Finished his formal education aged 24 Hugh went on day release to college

Calderdale

60 Male

White British

Originally went into family business, which was engineering for the textile industry. From this, joined another similar business as a design engineer. Whilst undertaking this, Hugh became involved in pioneer work in computers, especially the creation of software for various industries, and including time and motion and operations software.

Through this work, Hugh formed a business with colleagues in the software industry, but was a minority shareholder and found it unsatisfactory. His new business builds bespoke furniture and work for home, church, boat and garden, small batch woodturning. Currently undertaking an HND in design and furniture to assist his new business. It has been “lifelong ambition to make a living out of working in carpentry.”

Sees himself as an Opportunity Entrepreneur although there probably weren't alternatives for employment but, as this was never given consideration, it was never tested, so can only be presumed. He had personal entrepreneurial experience in the software business as well as our generations of enterprise in textile engineering. Hugh originally wanted to start a business as an income for himself only but, after studying the HND at college, has changed his mind.

Hugh now wants to train people of all ages in carpentry and may possible do this through a social enterprise, ILM or perhaps even a charity. When Hugh saw how many excellent people were re-studying at the college he attended, he felt that this core of people should not be left on the 'scrapheap', which is where his relatively new idea of a social enterprise has evolved, part of Hugh's 'journey'.

Hugh believes that entrepreneurship is in his blood, from four generations of his family being entrepreneurs but, apart from that, he no longer wants to be subject to the whims and decisions of others. Because entrepreneurship is in his veins, he has never felt totally at ease taking orders from others.

Hugh found the Silver Entrepreneurs courses excellent, even though he had some background in entrepreneurship, he very much enjoyed the new information he learned and also the interaction with others in a similar situation.

## *Derek Trillo — Insight Images*

Creative

Age 47 — Derek had a university education but, aged 44, he embarked, successfully, on a

Masters Degree

Stockport

52 Male

White British

He has sixteen years in IT as operator, programmer and systems analyst including fourteen years at the University of Manchester, initially to introduce digital imaging, latterly as a photographer. He is a specialist in product photography and architecture, art works and museum photography. He is, also, employed as a freelance under contract with Open College of Arts [part-time tutor] but, whilst this is a permanent appointment, he undertakes it as part of his business.

Derek waited for the opportunity to take voluntary redundancy so that he could start his business, an ambition he had always had. Whilst he always enjoyed the work he undertook, he wanted to have a much more decision-taking role which, in higher education, was seldom an opportunity.

Derek's wife was similarly employed at the University, and she also took the opportunity for voluntary redundancy helping him with the business whenever required.

Sees himself as an Opportunity Entrepreneur with plenty of alternatives for employment, but by no means secure. Derek sees running his own business as more secure than being employed, "obviously with risks, but with more opportunity to rectify an adverse situation."

Initially sees business solely as income for himself but, now that he is in business and can see the opportunity for growth, he is now changing his mind and seeing perhaps the opportunity to grow a company which could be sold viably. This is not, however, critical and he will be happy if it just provides him with a good income for the remainder of his working life.

Derek attended the Silver Entrepreneurs programme in Stockport three years ago and found the course invaluable. He also is a regular attendee of the Silver Entrepreneurs Networking events which were formed from the workshops.

### ***Sally Ann Walsh — Khaki Blues n 2's Ltd***

Manufacturing

Finished formal education aged 16

Knowsley

55 Female

White British

In the fifteen years prior to starting her business, Sally was engaged in the same type of business, manufacturing and sales of police and services workwear, especially police vests, in the private sector. All Sally's working life was in the private sector. Her business is the manufacture and sales of safety wear for the services, police mainly, and especially police vests.

When she was 50, Sally was made redundant from her work but, as this co-incided with her having to look after an elderly relative, and her husband was in full-time employment, this was not seen as a problem. Whilst she was off work caring for the relative, she received constant calls from her previous clients, either asking advice or sourcing goods. With this in mind, two things then happened at the same time, the relative died and her husband was made redundant. The decision was made to start her own business and, after a year trading, her husband joined the business.

Sees herself as an Opportunity Entrepreneur and is fulfilling a lifetime ambition, but perhaps driven by circumstances. Had Sally and her husband not been made redundant, it is unlikely the business would have been started. Sally said "if only I had known how enjoyable and rewarding running my own business would be, I would have done this years ago!"

Plenty of alternatives for Sally, her skills were in demand, but her husband, as an engineer, found getting work difficult Her husband now works full time in the business.

They are building a business for growth, with a view to their son and daughter joining the business when it has grown sufficiently.

Their business is flourishing because they are able to supply small orders, where their main competitors are either not geared for this or do not wish to quote.

Note — Sally won the Liverpool Daily Post Business Entrepreneur of the Year in 2009.

The business is going from strength to strength, recent new contracts have included supplying all the Gibraltar Police, The Royal Gibraltar Police and other public bodies in Gibraltar all from word of mouth on the original small contracts. "I found the Silver Entrepreneur workshops invaluable, we had no previous experience of running a business and the workshops took us through everything we needed". The Knowsley Chamber of Commerce Business Buddy project was also invaluable and the mentor assigned to us still advises us in his own time.

## *Martin Wollaston — Wollaston Legal Estate Planning and Viva Costa International*

Financial Services

Left FT Education aged 18 Textile College

Stockport

61 Male

White British

Royal Navy for 15 years

He started a digital company with three colleagues but sold out 20 years ago then. The rest of his working life was spent in technical office at ICI. He was “pensioned off at 60, no choice in the matter.” His business is legal estate planning and also the financing and providing property and homes abroad.

His aim is to supplement his pension as “being forcibly retired,” with a pension which would not give Martin the standard of living to which he was accustomed. This meant that he needed additional income. Martin felt that there was little chance of gaining employment at his age so took the decision to start his own business

Sees himself as a Necessity Entrepreneur but with entrepreneurial experience from 20 years ago, with three colleagues, as outlined above.

Martin would like to build a business for growth but, in the Legal Estate Planning work, sees little opportunity to do so. If he expanded, he would have to employ somebody as qualified as he is, which would mean a high salary. He feels that if he expanded, he would be perhaps doubling the turnover but the extra revenue would probably only cover the cost of whoever he brought into the business. It may possibly be a more attractive business to sell on, but risky He has therefore now also joined a franchise for overseas property finance and property sales, which does have opportunity for growth.

Martin attended the Silver Entrepreneurs workshops in Stockport three years ago and found them extremely helpful. He found it especially invaluable to be with others in a similar situation to him, it gave him great confidence.

**Steve Hall — Blackshaw Garden Services  
(and secondary business Blackshaw Mountain Biking)**

Business Services main business plus Tourism biking  
Finished formal education at 21 University  
Calderdale  
Age 41 Male  
White British

After leaving University, Steve was employed as a landscape gardener and then worked at a rose nursery, which is the background to his new business. For the rest of his career he was employed as a teacher, but has left because he was disillusioned with the state system of education.

Although Steve is only 41, he has been included because he attended the Silver Entrepreneurs course because he was changing direction in later life and, as he left the public sector to do this, it was felt that his story should be included. The firm provides garden services and landscaping, mainly business to business. The mountain bike holidays and training are to supplement his earnings in the winter months although, fortunately, Steve has found the gardening and landscaping business good through the winter months.

Steve chose to leave the teaching profession because of disillusionment with the sector. He sees himself as an Opportunity Entrepreneur with plenty of alternatives in teaching, but starting a business was his chosen path.

Limited family background in entrepreneurship, One uncle was a 'serial entrepreneur' and Steve has consulted often with him.

Initially the business was to provide income for him and his family but, after a few months in business, that changed and he very much intends to grow and expand his business. He has already taken on an apprentice and plans to expand further with full-time employees.

Steve said that if he had known how enjoyable it was to run his own business, he would have done it when he left university, or "maybe not even bothered going to university!" Steve found the workshops "excellent and very helpful" and said "good relaxed but productive atmosphere".

## The North East Programme Report (Kasia Kurowska, University of Newcastle)

CASE STUDY: Career Viability of Self Employment for over 50s — North East ESF Enterprise Pilot

- Summary of Intervention
- Background
- Outcomes for participants
- Insights in to self employment amongst older people
- Emerging Policy and Development Themes
- Conclusion and Recommendations
- Further Information

### *Summary of Intervention*

Between July — September 2010 an enterprise pilot was ran in Newcastle upon Tyne and wider North East region to examine the viability of self employment as a career choice for older people (defined as 40 years old plus for this pilot) and examine the opportunities for a new type of enterprise service for older people. The enterprise pilot both benefitted many of the participants that took part and identified a number of key policy themes for further research and policy development.

### *Background*

The enterprise pilot was funded by a Transnational European Social Fund Project (ESF) based at the Institute of Ageing and Health, Newcastle University and in partnership with the National Institute for Adult Continuing Education (NIACE). The ESF project is addressing the socio economic challenges and opportunities of demographic change in the North East and specifically looking at working and learning in later life.

The ESF project identified an opportunity to work with Sue Jackson a licensed Testing the Water™ Coach of Whitespace Coaching to pilot the Testing the Water™ programme in the North East. At the time of the pilot, the project was unaware of any mainstream enterprise service, in the North East, similar to Testing the Water™ that offers people the opportunity to assess whether self employment is for them. The pilot wanted to evaluate whether there was a demand amongst older people for such a service to inform future mainstream enterprise service provision development. It also offered an opportunity to test a specific model of intervention with a small group of participants.

The Testing the Water™ coaching programme was developed by Cathy Brown in partnership with Birkbeck College, University of London over 18 months of research. The Testing the Water™ programme consists of a workbook/questionnaire and individual coaching sessions to suit personal needs. The programme supports individuals to assess their readiness for self employment or occasionally make the decision that this is not right for them currently or in the future. This allows individuals to concentrate on developing other employment

opportunities. The benefits of this are in the arenas of personal aspirations, motivation and well being and promoting efficiency and focus in the use of business and employment support services.

Testing the Water™ factors are divided into three key areas:

1. Momentum for change — the drive for change, motivation and clarity of vision for the future
2. Personal competencies — which specifically consider self awareness, self confidence and self management
3. Physical support — practical considerations such as financial buoyancy, sources of advice and expertise, social and professional networks

By assessing and analysing the different factors, the Testing the Water™ Coaching Programme can develop:

- Greater awareness of readiness to move into self-employment
- Decisions on whether self-employment is the right option
- Increased focus on what is needed to move successfully into self-employment
- Areas and options to consider in depth action planning for enhancing strengths and addressing gaps or areas for improvement
- An understanding of the support you need
- Personal awareness, confidence and focus

The pilot ran from June to September 2010 and recruited 8 participants. The pilot's structure was as follows:

- Pre workshop questionnaire on participant's background and enterprise needs.
- One day workshop on 28th June 2010 — this included the completion of the Testing the Water™ questionnaire and facilitated group discussion on enterprise in later life.
- Two individual follow up coaching sessions with Sue Jackson of Whitespace coaching.
- Follow up interview with each participant with the ESF project officer to feedback on the programme and exit the ESF project.

All participants in the pilot indicated that they were White, British in ethnicity, but their demographics and background were varied. It should also be noted that a 28 year old applicant was allowed to participate. This addition of a younger participant offered an interesting opportunity to compare and contrast adult experiences of work, learning and enterprise at different stages of life.

Most of the participants indicated that they were looking for business and financial support through the pilot and had not accessed any mainstream enterprise support. The three participants who had accessed some mainstream enterprise support had done so via Business Link Services or by researching enterprise on the internet. All participants were at the very start of thinking of self employment and were interested in learning more about self employment and their readiness for the enterprise option.

## Outcomes for Participants

The enterprise pilot achieved a number of varied outcomes for participants and not necessarily related to self employment. In summary the main participant outcomes were:

1. participants decided on self employment and are at various stages of setting up their enterprise;
2. participants have gone in to further education to support their ability to establish an enterprise in future; and
3. participants decided that enterprise was either not right for them at this time or not the right career option for them.

The enterprise pilot helped to clarify a route to employment for participants. For example, one participant has gone in to self employment from retirement. The pilot also assisted participants understanding of the scope of self employment and the different transitions to self employment. For example, one participant, who decided that self employment was not for them did take the decision that they did not want to stay in their current employment position and they have now gone on to a zero hour contract with their employer which has enabled them to work when they choose and diversify what work they take on. This participant has become self employed but not in the way she originally anticipated. They stated,

*'...the whole process has made me realise that actually I am not really motivated. I am motivated to do my own thing but not to start my own business with everything that entails...It made me realise I want to run my own life rather than be an employee.'*

Female, 49 years old, employed part time.

Two other participants reported that they had already decided to go into self employment and the pilot supported their conviction that they wanted to go down this employment route.

*'I realised the idea I had was doable and I could sound out my idea with others and get an outsider view.'*

Male, 54 years old, Employed

The Testing the Water™ coaching programme and the pilot also helped participants to identify what they need to rectify to make a successful transition to self employment. For example, one participant reported that it had made them think about the type of part time work they wanted to undertake to supplement their enterprise idea to secure financial sustainability. In addition, two participants decided to go in to further education to improve their chances of making a successful transition to self employment. One such participant decided to take taster classes on floristry to decide whether it is a business they would like to pursue in self employment.

*'I have decided to try out floristry training and a night time course to try it out. The idea is to try it as a leisure activity and see if it would suit me to take it further and the programme helped me see that way forward.'*

Female, 47 years old, employed part time

Some participants decided that self employment is definitely not for them through the programme and this was primarily due to their current financial situation. This, in itself, is an outcome because the pilot enabled them to explore possible routes of employment and come to a decision on their career without investing too much personal (or support agency) time or money in starting up a business.

### ***Insights In To Self Employment Amongst Older People***

The experience of participants throughout the pilot and their wider views on self employment has produced a set of 5 key insights into enterprise in adult and later life. These insights (in no particular order) arose throughout the pilot and were both observed by the evaluator at different stages of the pilot and were also explicitly highlighted by participants in the interviews.

#### 1) An enterprise pilot specifically for their age group

A key finding is that there is a perception that there is a lack of enterprise service provision for older people; even though a number of services exist, for example PRIME. From this pilot, comments suggest that the existing enterprise services are perceived as being marketed and tailored towards younger people and do not meet the needs of older people. Although the Testing the Water™ programme is not designed for a specific age group a number of the pilot participants liked the fact that the pilot was targeted at their age group. There was a widely held view amongst participants that enterprise services and funding was primarily focused at younger people and a feeling that enterprise for older people is often not offered as an opportunity when older people are looking at career options. This is demonstrated in the comments of the two of the participants below.

*'I am 50 next month, and your thinking nobody asks you about what you want to do and everything is for younger people and it was really nice to have something that was geared for your age group.'* Female, 49 years old, employed part time

*'I had never seen anything that was specifically aimed to over 40s...All the services that are on offer on enterprise you have to already have an idea and it helps them with their business. All training is practical on business planning etc. Where I was at the stage of should I consider self employment as career option?'*

Female, 47 years old, employed part time

The retired participant who decided to go in to self employment in their late 60s demonstrates that there is a desire amongst older age groups for viable sources of economic activity and not just traditional forms of employment in 9-5 or part time work.

## 2) Predominance of social enterprise ideas

The pre-workshop questionnaire identified that half of the participants had an idea for a social enterprise offering a service to the community. In discussing their idea for self employment one participant stated that,

*'The idea came from work I have done with people with disabilities and I have seen the opportunity to develop a service for them specifically on art.'*

Male, 54 years old, Employed

The generation of social enterprise ideas came from different activities that participants had been involved in. This included participants who had worked in the public and voluntary sector offering an existing community service and others who had personal experiences of existing services and had identified a need for new local service,

*'It is about putting back what I got, help and support, when I had my crash and I want to do that for others and show them the way.'* Male, 67 years old, retired

A key insight identified through the pilot has been the increasing interest that individuals have in social enterprise and community need driven businesses. It would be an interesting area for further research to examine the drivers for social enterprise as a popular option amongst older people interested in self employment.

## 3) Networking with peers

A key benefit reported by the majority of participants was the opportunity to network with like minded people and share enterprise ideas. Participants acknowledged the benefit of meeting with other older entrepreneurs and hearing the life stories and experiences as helpful and interesting as well as reassuring.

*'I love other people's stories and found it really interesting. It made me realise how different people's situation can be but they have the same desires to start up a business.'*

Female, 49 years old, employed part time

This was further emphasised by a younger participant who identified the personal value of engaging with older people who had more work and life experience,

*'I found that my issues were different to others because I haven't had much work experience and I am younger but listening to others made me think I could do it. It is good to know that people can go self employed at any age as some of the participants were even retired.'* Male, 28 years old, unemployed.

A key insight of the pilot has been the value of such enterprise activities for the social networking, peer support and knowledge share opportunities that it offers.

#### 4) Independence of the pilot and the importance of intermediaries

The independence of the coach was highlighted as a very valuable aspect of the pilot.

*'The opportunity to talk to someone outside your world, outside your family and doesn't know your background who is unbiased and don't have a view on you. That is what I found really, really good.'*Female, 49 years old, employed part time.

An interesting insight has also been in the positive perception participants had of the role of the intermediaries in the pilot such as Newcastle University. A number of participants remarked that they were confident in the quality of the pilot as it was run by Newcastle University.

#### 5) Personal Evaluation through Testing the Water™

A key insight has been that the Testing the Water™ programme has been highly successful in supporting individuals to examine their personal readiness for self employment. All the participants reported that the process had helped them to focus on their personal attributes and strengths and weaknesses. This was described by one participant,

*'It helped me to clarify who I am and what my strengths and abilities are and it also pinpointed my reservations and it did really help me to focus instead of having a vague idea.'* Female, 49 years old, employed part time

In addition, an unforeseen outcome for participants was that the pilot and Testing the Water™ process helped them to learn about themselves as people beyond just self employment. This is best summarised by the comments of one of the participant's below,

*'I didn't know what type of learner I was and now I know I am a mixture of learning types. We looked at the way I look at things and how this could be beneficial in a job.'* Female, 47 years old, employed part time

The further education outcomes also demonstrate that the outcomes of the Testing the Water™ programme can help career development beyond self employment.

## **Emerging Policy And Development Themes**

This evaluation report has identified a series of emerging policy themes to explore in future research, project activity, future service provision and relevant Government policy development.

Promotion, visibility and accessibility of mainstream enterprise services for older people: there was a widely held view by pilot participants that services and funding is primarily focused at younger people and that enterprise opportunities for older people are often not offered as an option when older people are looking at career options. However, this pilot demonstrates that there is a level of interest in enterprise amongst older people.

Development of successful enterprise coaching services which focus on personal capacity and readiness for self employment: this pilot has demonstrated the importance of coaching and supporting individuals at the very beginning of the enterprise process and the associated benefits for individuals' wider personal development and economic and educational engagement. The pilot also demonstrated the strength of peer and networking activity for the personal development of both older and younger individuals.

Interest in Social Enterprise: the pilot has highlighted a strong social enterprise interest in older people who have identified a social or community need from their working life and experiences. Both the current public sector cuts in the public sector workforce and community services and the Big Society vision are opportunities for growth and development of social enterprises in the North East.

## **Conclusion And Recommendations from Newcastle Project**

The overall conclusion is that the pilot and Testing the Water™ programme was very successful in supporting individuals understanding of what it takes to pursue self employment successfully and it helped pilot participants develop appropriate next steps to achieve this ambition.

*'I was made redundant 2 years ago and I have been doing bits of work since and been thinking about self employment. This was a good way of focusing my thoughts on whether or not to go in to self employment and which direction to take.'*  
Female, 47 years old, employed part time

Self employment is a viable employment option for individuals at any age and more should be done to both promote and develop enterprise services that cater for older people in what is seen as mid (40 years plus) and later life (65 years plus).

*'...I have got a lot to offer and there is an exciting time ahead as long as the old health keeps going I am going to keep going because the thought of sitting in a room watching neighbours at lunch time makes me want to jump out of the window.'*

Male, 67 years old, retired

As the population continues to age and retirement and pensions policies change we must look to new areas of viable employment and economic activity for older people. This ESF enterprise pilot demonstrated the opportunity to develop a well publicised and marketed enterprise service that responds to the needs of older people and highlighted where development could be focused to improve enterprise service provision for older people.

Policy Implications including further research questions.







N8 is a partnership of the eight most research-intensive universities in the North of England: Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York.

