

## FOREWORD

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The world around us continues to get grayer. According to the United Nations, the number of people aged 60 and over could reach 2 billion by the year 2050, which would be an increase of 217% above the current level. Many parts of the developed world experienced baby booms following WWII and are now seeing accelerated aging rates as a result. Improvements in health care, and consequently higher fertility rates and longer life expectancies are also helping to augment the trend. In the United States, individuals of age 65 or above are currently the fastest growing age group and their share out of the total population is ballooning and is expected to expand even further in the coming years. The United States Census estimates that by 2030, 1 out of 5 will fall into the older age cohort.

For some, the trend has presented itself as an opportunity. Seniors have become big business. In recent years a whole new market of products and services has surfaced targeted to the specific needs and interests of older individuals, many of them are aging boomers who are now reaching their retirement years. One area where this is highly visible is in the real estate industry, which has productized the concept of “senior living” and created a new breed of housing developments designed specifically with the lifestyle of the active adult in mind. The business of selling to seniors has also taken off on the Internet, which is becoming an increasingly popular venue for seniors to seek out information, obtain custom services or products or even to do social networking.

The graying population has also come at some cost to society. For one, older individuals are generally more prone to chronic diseases and disabilities, and such conditions can result in a cessation of driving and constrained mobility, a strain on friends and family who must take on the role of caretakers and in the end, costly institutionalized care. Medicaid disbursements and the share of the national budget dedicated to providing the entitlement program are both continuing to grow. There are also the more difficult quantity reductions in productivity that can result from diminished work performance or absenteeism on the part of ailing seniors or their caretakers.

Another concern is the possible labor force shortage and fiscal crisis that could in the near term result from the exodus of seniors from the workforce. Statistics show that individuals are retiring earlier, as Dr. Zhang's book delineated. One reason for this trend stems from the variety of impediments that older individuals face in wage and salary employment. Perceived or actual age discrimination, health- or mobility-related issues and pension plans that penalize late retirement are some of the factors that discourage later retirement. If, as the population gets older, an increasing share of the workforce retires, then a labor shortage could be imminent. This also raises concerns about the future of the Social Security Fund, which some speculate could run out as a growing number of individuals retire from the labor force.

Numerous solutions to the problem have been proposed. One is to capitalize on the growing immigrant population and to provide incentives that encourage their further participation in the labor force. Such a policy however, is controversial and politically difficult to implement. Other policy measures are targeted specifically at alleviating some of the obstacles that seniors face in wage and salary positions. Programs aimed at promoting elder mobility through transportation coordination, currently being implemented in some states, are an example of this strategy. Telework and flexible work hour programs in the workplace have also been discussed as a way to maintain seniors' participation in the workforce. It is unclear, though, whether these and other similar measures can be effective on a

large enough scale to mitigate a labor force shortage and fiscal crisis; nor, are any a holistic fix to the problem.

An emergent trend that could, interestingly, offer an effective solution to the imminent labor force shortage and fiscal crisis is senior entrepreneurship, as this book indicates. Within recent years, the face of the entrepreneur has begun to change. The young, hip business person of the dot com era is now being replaced by individuals who are much older. Statistics show that, in fact, seniors are more likely than their younger counterparts to be self-employed and the number of senior entrepreneurs continues to rise.

Self-employment offers a number of benefits to the senior and those could help explain why we are seeing a recent surge in start-up activity by that population cohort. As owners or managers of their own business, older individuals are afforded more scheduling flexibility. This, in turn, allows them to more easily manage any health conditions they may have, carry out their roles as caretakers of others, spend more time with grandchildren or other family members and engage in leisure activities. Seniors may also experience secondary health benefits as a result of the feelings of empowerment and self-worth that self-employment engenders.

In the knowledge economy, seniors are well-positioned to continue working as entrepreneurs well beyond their retirement years; this is part of the message this book delivers. The more-physically demanding occupations of the Fordist economy have now been replaced by those centered more on the processing of information, creative tasks and communication. Advanced technologies as well as the Internet are making it easier to work remotely. It is also being increasingly recognized that seniors bring years of experience, knowledge, business contacts and maturity, in many ways, beyond that their younger cohorts have to offer. It is not difficult to imagine a scenario in the future where outsourcing to senior-owned companies to take advantage of these assets is commonplace.

While there is a relatively substantial and growing body of research that looks at entrepreneurship in general, the senior entrepreneur and his/her role in the context of the new economy has been relatively unexplored. This book begins to fill that gap and provides new insight and knowledge in the area. It gives us with a better understanding of who the older entrepreneur is, the factors that motivate them to become self-employed, the regional economic and fiscal benefits of senior entrepreneurship and the policy tools that can be effective in fostering further start-up activity by older individuals.

It is interesting to find from the book that seniors themselves could be a solution to the economic and fiscal crisis that their aging is predicted to result. In the context of a “senior entrepreneurial milieu” that fosters diversity, creativity and social openness and incentivizes self-employment across different socio-demographics through appropriate tax policies and other measures, the self-employment of seniors in the aggregate can be expected to help supplant the labor force, stimulate regional economic growth and reduce the burden on the Social Security Fund. In certain respects, the benefits of senior entrepreneurship could be even more powerful than those associated with younger individuals or the population as a whole. These findings and other knowledge contained in the book truly broaden our understanding of the senior entrepreneur and the positive role the elderly can play in society as pioneers of their own fate.