



**Testimony of Elizabeth Isele,
Co-Founder and CEO, SeniorEntrepreneurshipWorks.org
Co-Creator and Founder, eProvStudio.com**

**Submitted to the Senate Special Committee on Aging
and the Small Business and Entrepreneurship Committee
before their *JOINT HEARING: In Search of a Second Act: The Challenges and
Advantages of Senior Entrepreneurship***

*10:00 a.m., Wednesday, February 12, 2014
Dirksen Senate Office Building, Room 562*

Committee members and guests - thank you all for attending this hearing to explore the untapped potential of senior entrepreneurs to create and drive economic markets in our new Longevity Economy.

I am Elizabeth Isele, Co-Founder and CEO, SeniorEntrepreneurshipWorks.org a senior entrepreneurship education and training program and Co-Creator and Founder, eProvStudio.com an entrepreneurship exploratory experience workshop for seniors, aged 50+. Both of these programs are designed as in-person and online learning environments and teacher training initiatives that can be customized to meet local needs and replicated throughout the world. Our method of entrepreneurship training so resonates with seniors that the demand for our programs has grown exponentially through word of mouth.

Senator Nelson, thank you for co-hosting this hearing on senior entrepreneurship, which, as one very astute member of your staff said, is one of the most positive things we've had to say about aging in a long time. And, thank you, also for making the hearing available to the public at large through the live webcast feed on the Aging Committee's website. People with whom we work from around the globe are listening to our conversation today.

Special thanks to Senator Mary Landrieu for recognizing the economic value of entrepreneuring seniors, and initiating this hearing so that others will better understand this opportunity to stimulate seniors', their communities' and the nations' economic self-reliance.

I am especially delighted that Senator Susan Collins is here today. Maine is my home but still, today, I shall try to speak without bias. I launched my first business as a senior in Maine, which has an exceptionally welcoming environment for entrepreneurs. In 1998, at age 56, I saw a need (teaching other seniors like myself how to use technology to remain relevant in our digital world). At first, in my naiveté, I thought all I had to do was tell seniors about this remarkable tool and they'd flock to the Internet. That naiveté was short-lived as I realized I first had to help seniors understand the value of the technology in ways that were meaningful to their individual lives. Then, I had to create a curriculum that was compelling and easy to understand. Then, I needed a computer lab to test the program and a way to encourage seniors to participate. The director of the Portland (Maine) Adult Learning Center "loaned me her computer lab for Saturday mornings. Senior services allowed me to put posters in senior community and living centers, "Do computers have you flummoxed and does the World-wide Web make you think of giant spiders? Come and see what it's all about in this FREE workshop."

I did not have buckets of money to invest in this endeavor, but I knew it was important to do so, so I drew upon resources at hand to create a business that was supported by experienced individuals, local banks, internet service providers, public and private foundations, national organizations such as Microsoft and the National Institutes of Health.

We started with 12 seniors in Portland, Maine in the Saturday morning workshop and within 5 years there were more than 28,000 being trained in CyberSeniors' workshops across the US.

We succeeded because we had a cross-sector support ecosystem - programs, capitalization, policy and research. Each of us here today are part of that ecosystem, as stakeholders in the social and economic well-being of our seniors. Seniors' economic well-being translates into national economic well-being.

Seniors like Conchy Bretos here today. Seniors like Joe James who started by building a public market for impoverished, rural Black farmers who were leaving their farms in North Carolina in droves. He launched farmers, selling their produce at the farmers market, on the path to self-sufficiency. When there was produce left over at the end of the day, Joe realized he could convert it into bio-fuel. As he did this, he thought why not have the farmers plant seeds specifically for creating bio-fuel. To make a rich and long story short, today Joe has a multi-million dollar agri-tech business and an environmental program called "the Greening of Black America."

Given the size, growth forecast, and the depth of expertise in the senior demographic, they are an untapped resource we can no longer continue to ignore. In the U.S., people aged 50 and older will represent 45 percent of the total population by the year 2015, and for this demographic "entrepreneurship certainly trumps aging."

My partners at Babson College and I have launched another platform eProvStudio.com, to fill a significant gap in entrepreneurial education and training. While there are programs for the 34 million self-identified senior entrepreneurs in the US, including my SeniorEntrepreneurshipWorks.org which has trained hundreds of senior entrepreneurs since it was launched in 2012, there are no programs for the millions of other seniors who, while totally intimidated by the word, entrepreneur, are eager to explore the opportunity. eProvStudio is designed to create a safe, user-friendly runway to ease and lift seniors into entrepreneurship. Combining the methodology of entrepreneurial thought and action and the art of improvisation, eProvStudio puts the skills and mindset of entrepreneurship into the hands of seniors to help them ignite and build ideas into viable business opportunities so they can create their future of prosperity. Seniors learn how to maximize their experience and resources garnered over the past 50+ years to create anew, retiring to something not from something.

I've just returned from delivering an eProvStudio workshop in Sarasota, Florida at the Institute for the Ages, 7th Annual International Positive Aging Conference. We had capped the workshop at 30 participants who are ready to explore entrepreneurship, but an additional six slipped in. We had to condense our 2-day workshop experience into 4 hours. The energy was palpable as the 50+ year olds eagerly embraced every improvisational exercise we offered to decode their entrepreneurial history. Potential never ages.

Senior Participants left with:

- An expanded view of what's possible
- An understanding of the difference between being goal driven and resource driven
- Strategies to amplify their resources by learning how to enroll others
- A means to capture and articulate—through a simple plan, prototype, or drawing—their ideas
- A methodology to practice learning, building and acting on their ideas
- A networked community (real and virtual) of eProv participants and Hub facilitators to continue acting, learning, and building together

What We Know About Senior Entrepreneurs

- MetLife Foundation research documents there are 34 million seniors who wish to start their own business
- Kauffman Index of Entrepreneurial Activity (Robert W. Fairlie, Kauffman Foundation, 2012): One fifth of new entrepreneurs in 2011 were older adults, according to a recent report from the Kauffman Institute. According to the study, an aging population and increasing rate of entrepreneurship among older ages has led to a rising share of new entrepreneurs (non-business owners who start a new business during the year) in the 55–64 age group. Furthermore, research shows that since 1996, Americans between the ages of 55 and 64 have had a higher rate of entrepreneurial activity than those aged 20-34. http://www.kauffman.org/uploadedFiles/KIEA_2012_report.pdf
- The EU has invested more than 3 million euros to create model senior enterprise programs, and has identified senior enterprise as key to economic recovery in the EU their 2020 strategic plan.
- In the UK, ‘third age’ entrepreneurs are responsible for over one quarter of new startups.
- The 2013 GEM (Global Entrepreneurship Monitor) data documents that 50% of new businesses launched by individuals aged 50+ are still in business after five years.
- More than 60% of boomers are building green businesses.
- According to the Employment and Disabilities Institute at Cornell University, of non-institutionalized PWD over 50 who are employed:

- 477,000 are self-employed in their own *non* incorporated business, professional practice, or farm
- 214,000 are self-employed in their own incorporated business, professional practice or farm.

Why Senior Entrepreneurship Matters

Economic Impact

Senior entrepreneurs impact workforce development, job creation, improved productivity and wealth creation as they pour investment dollars back into their communities.

- Job Creation - While the majority of senior entrepreneurs create small and micro-businesses their 5-10 employee hires have a huge cumulative affect on job creation. As Gina Harman, President and CEO, Accion USA, says, "Of the 27.8 million businesses in the U.S., 91 percent have fewer than five employees. These businesses have been the largest net contributor of new jobs to the U.S. economy in the past 15 years and collectively employ 50 percent of all private sector employees."
- According to the "[One in Three](#)" research sponsored by the Association for Enterprise Opportunity, "If one in three microenterprises in the United States hired an additional employee, the US would be at full employment."
- Senior Business Start-ups (micro to big businesses) present new market lending opportunities and CRA tax credits for community banks and credit unions as well as large commercial banks.
- Senior Entrepreneurs and employed adults, aged 65+, contribute \$120+ billion in federal taxes alone, that is not including state taxes, annually to support federal programs and reduce dependency on entitlement programs.
- Senior Business Start-ups present new digital business opportunities through increased demand for technology (products and services). Many seniors participate in the culture of "Artisanal Capitalism." 90-year-old Pearl Malkin, for example, aka "Kickstarter Granny" launched her business "Happy Canes" after her grandson helped her launch a successful \$3000 Kickstarter campaign for seed money to create her happy canes and sell them in Etsy, the online marketplace for hand-made arts and craft products.
- Big businesses or "Gazelles" may grow faster but they fall harder. The cumulative affect of successful small businesses can have as great and more sustainable impact.

Health and Social Impact

- Boomer Entrepreneurs live healthier (physically, mentally, emotionally), vital, relevant, productive, and more meaningful lives longer than their retired counterparts.
- Healthy Seniors create less demand on social service/entitlement programs - in fact they continue to contribute to Social Security and Medicare through their taxes.

Senators, we do not need to create millions of dollars in new funding to support senior entrepreneurship, we believe that by tweaking existing Federal Programs and Public Policy in the following ways and by creating actionable research we can amplify senior entrepreneurs social and economic impact.

Foster Inclusive Entrepreneurship

- Entrepreneurship initiatives must reach out to traditionally excluded communities such as 50+ year olds and 50+ year-olds with disabilities
- Deliver business development support services that are accessible to all entrepreneurs, including disabled senior entrepreneurs
- Align business startup policies at the local, regional and national levels
- Energize entrepreneurial communities to foster an entrepreneurial approach to economic development.
- Support the swelling numbers of self-employed, small and micro-business in US who are driving a new round of economic and social progress and prosperity.

Create Greater Access to Capitalization for Senior Entrepreneurs

- Increase engagement of mainstream economic development support for senior business startups
- Design actions to mitigate special obstacles senior entrepreneurs face, such as age bias from lending institutions
- Develop loan guarantees and mutual guarantees to stimulate private sector funding for senior business startups
- Develop more microcredit initiatives with competitive delivery mechanisms to target special populations such as seniors with greatest chances of success

- Increase financial regulations' support information flow between borrowers and lenders
- Improve access to finance, support matching and networking of investors and entrepreneurs
- Develop co-investment and fund matching initiatives to increase the supply of funds for senior business startups
- Provide grants for business startups where loans are not feasible

Education

- Support more training programs customized to meet the needs of the 34 million self-identified senior entrepreneurs and those looking to explore entrepreneurship
- Make SBA information on business startup support more accessible and easy to understand
- Educate senior entrepreneurs on bootstrapping methods, and new means of capitalization such as crowd-funding
- Promote entrepreneurship training in workforce development and unemployment programs
- Provide more opportunity for seniors to learn entrepreneurship through business simulations and competitions
- Provide training for business support providers, mentor, and coaches related to the specific needs of senior entrepreneurs
- Provide more education about selling or transitioning a business to avoid unnecessary closings and job losses

Long-term Unemployment

- Expand policy and programs such as SEAP in the US or [British Enterprise Allowance Scheme](#) or [French Chomeur Createur](#) to capitalize a business startup without penalty
- Create policy to prohibit bias against hiring long-term unemployed seniors

Business Startup Regulations and Tax Incentives

- Streamline administrative processes related to business startups and simplify business regulations, particularly for micro-businesses
- Develop tax incentives for seniors starting businesses including EITCs

- Develop tax incentives for private investors willing to finance senior startups

Research

Despite its important implications for older adults' financial security and national economic growth, entrepreneurship at older ages is a relatively understudied area. There's a great need to collect and analyze data to best understand the entrepreneurial arc regarding ideation, opportunity identification, sustainability, growth and exit strategy/business transition for the 50+ year-old entrepreneur.

Questions to be addressed include:

- What are the characteristics of senior entrepreneurs (income, age, gender, minority status, ethnicity, geographic region, prior work history/business training, etc.)?
- What are the characteristics of the enterprises started by older adults (industry sector, product or service, workforce size, tax structure, years in business, years to break-even/profit, personal funds invested, investment capital, etc.)? What types of businesses are most likely to succeed/fail?
- How do senior entrepreneurs differ from their wage and salary counterparts in terms of their levels of financial literacy and their tolerance for risk?
- What are the individual outcomes (e.g., health and well-being, financial security, job satisfaction), community outcomes (e.g., employment, consumer confidence, spending and economic recovery), and enterprise outcomes (e.g., revenue) associated with senior business startups?
- What are the barriers faced when trying to access finance?
- What external support exists for the crucial phases of business life-cycle and growth?
- How has technology (products, services, e-commerce) facilitated senior business startups?
- What role does environmental sustainability play in these startups? (More than 60% of senior startups are green businesses.)

We need to stop the gloom and doom we are generating by referring to this huge and rapidly expanding demographic as an impending crisis or "Silver Tsunami." We, as a society, need to recognize seniors are one of our greatest natural resources. They are not a "silver tsunami," they are a silver lining, yielding golden dividends.