

Lifestyle drives seniors to start ventures: Study

But some Singaporeans aged 50 to 70 also launch businesses out of necessity, IPS survey finds

Toh Yong Chuan
Senior Correspondent

Age is no barrier to entrepreneurship, a study by the Institute of Policy Studies (IPS) has found.

Starting their own businesses can help seniors stay active in their twilight years besides providing some income, concluded the study billed as the first local one on senior Singaporean entrepreneurs.

And while many senior citizens

start their own businesses for lifestyle reasons, some do it out of necessity, the study found.

The think-tank surveyed 2,634 Singaporeans between the ages of 50 and 70, and found that about 9 per cent of them used to be employed or retired before becoming self-employed between 2015 and last year. It did not look at those who were already entrepreneurs.

“The study seeks to understand why older people in Singapore start businesses, as well as the potential benefits of entrepreneurship with respect to their financial, health and social well-being,” said IPS senior research fellow Alex Tan, who led the study.

The study sheds light on the economic and social impact of seniors

who dabble in businesses, he added.

The pool of seniors surveyed was a representative sample drawn from the Singapore Life Panel, a project of the Singapore Management University’s Centre for Research on the Economics of Ageing. Since August 2015, the centre has been collecting detailed data every month from nearly 12,500 Singaporeans aged 50 to 70.

Several factors affect the likelihood of an older person getting into business, the IPS survey found.

Senior entrepreneurs tend to be those who are better educated and previously held professional or managerial jobs, the study found.

They also tend to have accumulated wealth throughout their working careers, including having

investment properties.

Health plays a role too – those who are healthy are more likely to start businesses.

But the study also found an unusual pattern. While senior entrepreneurs tend to be wealthy, there is a smaller group driven to start their own businesses as they have lower disposable income and need the money.

IPS’ Dr Tan described the pattern as “lifestyle versus necessity-driven entrepreneurship”.

The first group of entrepreneurs are financially adequate and launch their own businesses to remain socially active, whereas the second group could be older workers displaced from work due to technology disruption and ageism, he added.

“The results overall suggest that senior entrepreneurship in Singapore is more characterised by lifestyle than by necessity,” he said.

The study did not look at the different kinds of businesses that were started by these seniors.

Retired PSA senior officer P’ter Chan, 69, said seniors can be encouraged to turn their hobbies into small businesses after they retire.

Mr Chan certainly did so. After retiring in 2004 at the age of 55, he started an art school for children. He also produced souvenirs like

coffee mugs and greeting cards from a painting of the Caribbean at Keppel Bay condominium, where he lives.

Five years ago, he picked up the ukulele and found that chord books from overseas were too expensive, so he compiled, printed and sold a song book for \$8 each. He has sold about 500 song books so far.

“These are for pocket money,” he said of his small-scale businesses.

In contrast, there are those like former stockbroker Joseph Tan, 55, who became an entrepreneur two years ago after he saw his colleagues retrenched and felt that his job in the financial services sector was at risk.

“It was a matter of survival for me,” he said.

IPS’ Dr Tan said the think-tank plans to study the subject of senior entrepreneurship further.

“Senior entrepreneurship has the potential to unlock economic and social benefits,” he said.

“The next important step would possibly be to study the economic impact of entrepreneurship specific to this senior demographic in Singapore,” he said, adding that this can bolster the argument for having a senior entrepreneurship policy.

tohyc@sph.com.sg