

Volume 22, Special Issue 2**Print ISSN: 1098-8394;
Online ISSN: 1528-2651**

THE VARIABLE “AGE” AND ENTREPRENEURSHIP OF PEOPLE WITH DISABILITIES¹

**Carmina Pérez, University of Murcia
Manuela Avilés-Hernández, University of Murcia**

ABSTRACT

The focus of this article is on the study of people with physical, sensory or organic disabilities who have developed a business or think doing so. The objective is to characterise the business strategy and to estimate its magnitude taking “age” as a socio-demographic variable of reference. Particularly, it is tried to find out if the entrepreneurship is different according to the age group they belong to. Three groups of reference have been established: people younger than 35 years old, people from 35 years old to 50 years old and people older than 50 years old. This research is based on the initial hypothesis that age can be a boundary that hinders people with disability to become entrepreneurs. Being that hypothesis the objective, to which the authors aim at responding, they have preferred a methodology with a quantitative character, which has been developed through interviews to people with disability and residence in Spain. According to the obtained results, the data analysis backs up such hypothesis.

Keywords: Business Initiative, Entrepreneurship, Self-Employment, Disability, Functional Diversity, Age Groups.

INTRODUCTION

People with disability represent a collective which is especially vulnerable in the labour market. Many studies give evidence that inactivity and unemployment rates affect them more than others and that people with disability usually suffer discrimination on the part of employers as they mistrust the abilities of such collective (Greve, 2009; Pagán, 2009). In the case that people with disability have employment, data about poverty show that it is very probable that the job offered to them is low qualified, part-time and low payed (Meager & Higgins, 2011). This leads to the fact that in almost every country the relative poverty rate of people with disabilities at working age is higher than the relative poverty rate of people without disabilities (World Health Organisation/World Bank, 2011).

Enhancing entrepreneurial initiative stands out among those measures that are being enforced to favour labour integration of this collective. Entrepreneurship is considered to be an alternative to ordinary employment as it allows this people to face successfully the challenges

¹Proyecto Discapacidad y Emprendimiento. Análisis Competencial. CSO2016–75818–R (AEI/FEDER, UE).

with which they are confronted currently in the labour market (Moreno, 2019). Official reports stress that entrepreneurship can have a lot of advantages for the persons with disability as it permits them to increase their independence and autonomy, to improve the balance between their working and their personal life, to boost their satisfaction for professional activities and to better their income level (European Union, 2014).

LITERATURE REVIEW

Various researches have analysed whether or not there is some kind of relation between age and entrepreneurship among general population. Most of them reach to the conclusion that age as a socio-demographic characteristic can be a determining factor in the intention to starting a business. On one hand, some researchers think that age favors launching a business. To such an extent, those who are more oriented towards entrepreneurship are the middle-aged and, even, the elderly people (Bird, 1993; Blanchflower & Meyer, 1994). According to their point of view, that is the case of people who have been accumulating experience in the labour market, who also have access not only to both economic and social capital and it is difficult for them to be employed by others. That is the reason why they resort to entrepreneurship as a way of being innovative in relation to the labour market. On the other hand, there is also the point of view of those, for whom an advanced age has a negative influence on entrepreneurship and hinders it (Bonnett & Furnham, 1991; Jakson & Rodkay, 1994). Those who back up that theory state that it is mainly young people who start a business, because their spirit is more adventurous and don't fear so much to fail. They also enjoy more creativity, adaptability, a specific training regarding both entrepreneurial and technological competences, as well as better health conditions and last, but not least, they don't have as many responsibilities in relation to the family. Given the two mentioned points of view, it is accepted as dominant the position of those researchers who argue that age is contrary to entrepreneurship and hinders the business initiative of people. Specific studies on the situation faced to this extent by people with disabilities are hard to find. Official reports which have dealt with that subject highlight that the obstacles that hinder people who want to launch a business are aggravated by the gender, both ethnic and age barriers as well as by the disadvantageous socioeconomic context (World Health Organisation/World Bank, 2011; European Union, 2014; Moreno & Tejada, 2016). People with disability face multiple forms of social and labour market exclusion, especially when the person with disability is also a woman, has an advanced age or belongs to an ethnic minority. Age becomes a handicap which discourages, despairs and limits people's entrepreneurship (Pérez & Avilés, 2018). In fact, the average age of entrepreneurs with disability is under the average age of people without disability, according to official statistics.

METHODOLOGY

This article uses data which result of a survey which was conducted between November and December 2018, on a sample of people with physical, sensory or organic disabilities residing in Spain. The technical sheet is referenced in article of Barba-Sánchez, published in this review. The survey has been carried out by the University of Murcia (Spain), within the framework of the research Project "*Disability and entrepreneurship. Competence Analysis*" (CSO2016-75818-R), funded by the Ministry of Economy and Competitiveness of the Government of Spain in its National R+D+I Plan. The independent variable that defines the profile of the entrepreneur with a disability in this article is age (P17) and has been taken from the questionnaire. The dependent

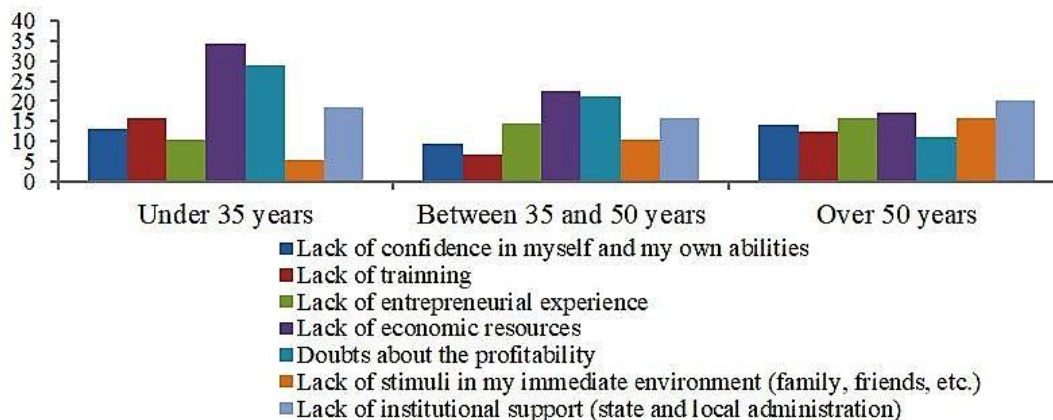
variables are the following: P5 (whether or not you have or are trying to launch a business; P6 (reasons not to launch a business); P7 (the business' main activity); P8 (the business' ownership and management); P9 (business seniority); P10 (number of people working in the business); P11 (main motivation for developing an entrepreneurial activity); P12 (most important reasons for starting up a business) and P13 (main reason that motivates the abandonment of the business). For the data analysis, IBM SPSS Statistics, 24, has been used.

RESULTS AND DISCUSSION

First, the analysis focuses on knowing if the person with disabilities has started up a business, either alone or with other people, or is trying to do so. In relation to age, the analysis reveals that the correlation between both variables is clearly significant (Pearson Chi-square 0.000). On the one hand, the percentage of people with disabilities who are young (under 35 years of age) and have a business is low (11.1%). On the other hand, entrepreneurial activity increases in the age group of 35-50 years (51.9%) and falls again in those who are over 50 years old (37.0%). In addition, those who intend to launch a business are those under 50; after this age, only 19.0% wish to do so. Our data coincide with those of authors who indicate not only that the more age increases, the more the probability to become an entrepreneur increases and but also that this relationship is presented in the form of an inverted U. Therefore, if entrepreneurs and potential entrepreneurs are grouped together, the result is that 27.5% are under 35 years old, 46.4% are between 35 and 50, and 26.1% are over 50 years old. In the sample's data, it becomes evident that the more age increases, the more the number of those people with disability who have had a business and have left it increases, while those who are over 35 are the ones who are less interested in developing a business. As age increases it is normal that the tendency to develop a business decreases. As Oelckers points out in relation to the general population, it is because of the fact that *"An obvious situation is that as people get older, health begins to deteriorate. This phenomenon conditions lifestyles and prevents from starting a business"* (Oelckers, 2015). Moreover, it is not hard to imagine that this reflection becomes more evident in the case of the specific group of people with disabilities compared with the case of the whole population. Persons with entrepreneurial disabilities who have left the business or who do not wish to start a business are distributed in relation to age as follows: 17.4% are under 35 years old, 40.4% are between 35 and 50 years old and 42.2% are over 50 years old.

Respondents who indicated in P5 of the questionnaire the option of not having any business nor intention to have one because they are not interested in having one were asked to rate on a scale of 1 to 5, where 1 is not important and 5 is very important, for various reasons why they would decide not to become entrepreneurs. Concerning the aspects that obtained a higher value (4 or 5 points), as represented in Figure 1, interesting differences between the different age groups are observed. Young people remark that the most important reason for not developing a business is the lack of economic resources, 34.2% value this item with 4 or 5 points, followed by doubts about the profitability of the business (28.9%). In the case of middle-aged people, who are between 35 and 50 years old, 22.4% indicate that the most important reason is the lack of economic resources, while 21.1% indicate of the business doubts about the profitability. Although with unequal percentages, both age groups value the same reasons. In the case of those over 50 years of age, the most valued reason is the lack of institutional support from both state and autonomous administrations. In fact, such reason is indicated by 20.3% of

the respondents, who value it with 4 or 5 points. The lack of economic resources follows (17.2%).



Source: Own elaboration

FIGURE 1
MOST VALUED REASONS NOT TO DEVELOP A BUSINESS ACCORDING TO EACH AGE GROUP (%)

According to the analysis of the main activity developed by the company either founded by the disabled person or which the disabled person intends to create, it is remarkable that disabled people who are under 35 years of age opt for the service sector (93.8%). The other 6.2% of people under 35 years, develop or think that they will develop their activity in the construction industry. In the case of those over 35 years old, that percentage becomes not so extreme; even so, only 3 out of 10 people over 35 develop or think that they will develop their activity in the industry-construction. In the same vein, the report on employment of people with disabilities of the Spanish National Statistics Institute (INE) states that 80.7% of people with disabilities worked in activities related to the service sector in 2015 (García-Palma et al., 2018).

As for to whom the property or address of the business is actually linked or will be linked in the future, the age of people with disabilities makes the difference: those who are younger than 35 years old choose to share property or address (60.0%) whereas those who belong to the age group of 35 to 50 years of age choose individual property or address (53.6%) and those over 50 years of age declare that property or address is shared or individual to the same extent.

Regarding the characteristics of companies of people with disabilities, it is remarked that, from the point of view of seniority, 79.3% of entrepreneurs have companies which existed for more than 42 months. According to considerations of the Global Entrepreneurship Monitor (GEM), such companies are considered consolidated within the entrepreneurial process, since they have overcome the previous phases of potential, nascent and new entrepreneurship (Reyes, 2012). As for the relation between company's seniority and age as a variable, it is coherent that the number of ancient companies is higher when people with disabilities are older than 35 years. This is also pointed out by Oelckers in relation to entrepreneurs in general: "*Businesses founded by older adults have a higher survival rate than other segments of the population, allowing the development of more viable business alternatives in the long term*" (Oelckers, 2015). Moreover, regarding the number of employees, it is appreciated that, the vast majority of companies (71.0%) do not have any employees. Only 11.6% have more than 3. Analyzing the number of

employees in relation to age, the highest percentage of companies without employees concern especially those under 35 years of age. When studying the main motives to launch a business or to plan to do so in relation to age, the results of the investigation show that the more age increases, the more evidence there is of the fact that motivation leading to the foundation of a business is not based on opportunity but rather on need. Opportunity only weighs a little more (55.0% of cases) in those under 35 years of age. Blanco confirms this when he points out that *"literature considers two key motivations for entrepreneurial youth to start up a business: the use of an opportunity and the need in the absence of work alternatives"* (Blanco et al., 2012). Moreover, 70.4% of those over 50 years of age, to mention the cases of the most extreme ages, express that the need is the main reason leads them to launch a business. Older adults, due to socio-demographic changes, feel the pression (push) or attraction (pull) to start up a business (Oelckers, 2015). In the case of people of advanced age with disabilities, according to each case, the causes are multiple and of variable content. Even though, what generates the decision to venture into an enterprise is always the need (push), rather than the opportunity (pull).

Regarding the most important reasons why developing a business, results indicate that there are differences between the different age groups. Concerning those under 35 years of age, for 36.4% of them the main reason is to achieve a personal challenge, while 27.3% of them indicate that the reason is to increase the desired personal independence. For those who are between 35 and 50 years of age, a priority reason why they would consider launching a business is, on one hand, to increase their personal income (36.7%) and, on the other hand, to achieve greater independence (30.6%). In the same vain, the response options show the same direction as the middle aged ones. They are as follows: 39.1% of those over 50 of age indicate that the main reason to start a business is to increase their personal income, while to achieve greater independence is indicated by the 30.4%.

Young people were asked about the main reason why they abandoned the business that they had started and 68.2% of them answered that it was because of the lack of profitability of the business and 13.6% that it was because of the problems to obtain financing. In the case of the middle-aged, the tendency is also to opt towards these reasons: 38.8% of them indicate the lack of profitability whereas the problems to obtain financing is mentioned by a 16.3%. Finally, concerning older people, they indicated that the lack of profitability of the business (47.8%) and retirement (10.9%) were the cause for giving up the entrepreneurial activity.

CONCLUSIONS

The analysis manifests that the profile of the majority of entrepreneurs with disability, in relation to age, is a middle aged person between 35 and 50 years. As for the founded companies, their entrepreneurial main activities belong to the service sector and their ownership is usually individual. Such companies are consolidated, what means that their seniority is around 42 months. Most of them do not have any employees and need has been the reason why there were founded. The main motivations why entrepreneurs with disability founded them have been to increase their income and to achieve a greater independence. In relation to the initial hypothesis, we have found that the possibilities of having a business of their own diminish as age of people with disabilities increases; age acts, therefore, as a barrier to the entrepreneurship of people with disabilities.

REFERENCES

- Bird, B.J. (1993). Demographic approaches to Entrepreneurship: The Role of Experience and Background. In: Katz, J.A., & Brockhaus, R.H. (Eds.), *Advances in Entrepreneurship and Growth*, (pp. 11-43). Greenwich: Jai Press.
- Blanchflower, D., & Meyer, B. (1994). A longitudinal analysis of young self-employed in Australia and the United States. *Small Business Economics*, 6(1), 1-20.
- Blanco, A., Mercado, C., & Prado, A. (2012). Profile and motivation of Spanish entrepreneurial youth. *Revista de Estudios de Juventud*, 99, 23-34.
- Bonnett, C., & Furnham, A. (1991). Who wants to be an entrepreneur? A study of adolescents interested in a young enterprise scheme. *Journal of Economic Psychology*, 12(3), 465-478.
- European Union. (2014). *Policy brief on entrepreneurship for people with disabilities: Entrepreneurial activities in Europe*. Luxembourg: Publications Office of the European Union.
- García-Palma, M.B., Manzanera-Román, S., Ortiz, P., & Olaz, A. (2018). Socio-labor approach to disability. Alternatives for entrepreneurship? *Acciones e Investigaciones Sociales*, 38, 177-196.
- Greve, B. (2009). *The labour market situation of disabled people in European countries and implementation of employment policies: a summary of evidence from country reports and research studies*. Denmark: Academic Network of European Disability experts (ANED).
- Jakson, J.E., & Rodkay, G.R. (1994). The attitudinal climate for entrepreneurial activity. *Public Opinion Quarterly*, 58(3), 358-380.
- Meager, N., & Higgins, T. (2011). *Disability and skills in a changing economy*. UK: Commission for Employment and Skills, Briefing Paper Series.
- Moreno, R. (2019). Entrepreneurship as an alternative to ordinary employment in people with disabilities. *Revista de la Facultad de Derecho de México*, 69(273-1), 257-296.
- Moreno, R., & Tejada, A. (2016). *Inclusion, entrepreneurship and employment of people with disabilities. Update and proposals*. Madrid, Spain: La Ciudad Accesible.
- Oelckers, F. (2015). Entrepreneurship in the third age: A review of the current situation. *Journal of Technology Management & Innovation*, 10(3), 143-153.
- Pagán, R. (2009). Self-employment among people with disabilities: Evidence for Europe. *Disability and Society*, 24(2), 217-229.
- Pérez, C., & Avilés, M. (2018). The personal and psychological dimension in the entrepreneurship of people with disabilities. In: Olaz, A., & Ortiz, P. (Eds.), *Disability and entrepreneurship. Dimensions and interpretative contexts in qualitative key* (pp. 55-76). Navarra, Spain: Editorial Aranzadi.
- Reyes, L.E. (2012). Analysis of entrepreneurial activity in Spain. *Revista de Estudios de Juventud*, 99, 117-127.
- World Health Organisation/World Bank. (2011). *World Report on Disability*. Geneva, Switzerland: World Health Organization.