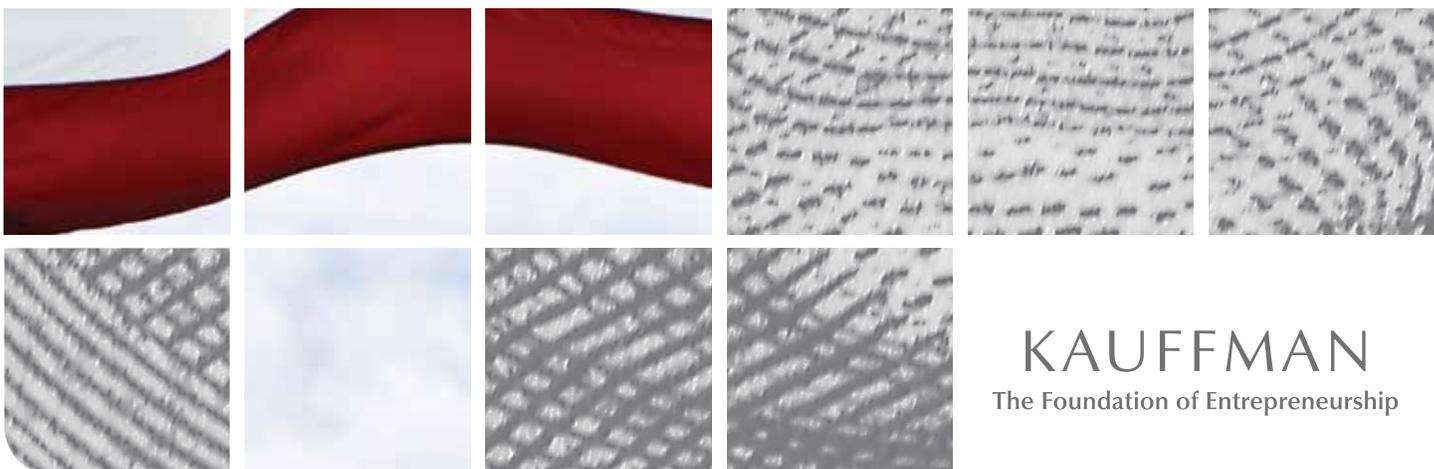




stateof**ent**repreneurship

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The Future of Entrepreneurship: Millennials and Boomers Chart the Course for 2020

Summary

By many measures, entrepreneurship is enjoying a renaissance. Venture and angel investment levels in recent years mirror those of the late 1990s and very early 2000s. Startup valuations have skyrocketed. City and state governments increasingly build economic development strategies around entrepreneurship, and colleges and universities offer more entrepreneurship education than ever before.

Despite these positive indicators, other indicators reveal reasons for concern. Data analyses increasingly show that U.S. business creation is trending downward and that new firm survival rates have fallen consistently for nearly twenty-five years. More distressing still is the fact that high-growth firms are less dynamic than they historically have been. Dynamism—the rate at which employees change jobs and at which businesses start and fail, grow and shrink—has been dropping, a factor that could portend lower economic growth.

Given these contradictory signals, observers disagree about whether entrepreneurship is on the brink of resurgence or whether it has reached a “new normal” of low rates of entry and growth. For insight into America’s entrepreneurial future, the Kauffman Foundation considered two of the country’s biggest demographics developments: the emergence of Millennials and the aging of Baby Boomers. These shifts will, in different ways, shape entrepreneurship in the decade ahead. This report analyzes the potential impact each of these generations may have.

Millennials (born from 1981–1997) have created fewer and fewer businesses since they entered the workforce in the early 2000s, despite expressing strong interest in entrepreneurship and having been exposed more than any previous generation to entrepreneurial training. As they reach the “peak age” for starting companies—around forty—there are reasons to hope that entrepreneurship will grow:

- *Millennials, who came of age as the IT revolution flourished, are well positioned to turn new technologies into new entrepreneurial ventures.*
- *Millennials enjoy near-ubiquitous exposure to entrepreneurship.*
- *Millennials have high levels of education that will equate to the creation of stronger businesses.*
- *Millennials, on the cusp of mass entry into the “peak age” bracket for entrepreneurship, will be the largest cohort at these ages in American history.*

At the same time, there are reasons to be skeptical about Millennials’ impact on future business creation:

- *Saddled with student loan debt, Millennials can’t afford to be entrepreneurs.*
- *The Great Recession dealt a permanent blow to Millennials’ entrepreneurial potential.*
- *Fewer young companies, which tend to hire younger workers, will mean fewer exposure opportunities for Millennials, which will mean lower rates of entrepreneurship.*
- *The explosion of entrepreneurship education on college campuses may not have much impact on actual business creation.*

- *Millennials won't have the same social and economic resources at their disposal that past generations did.*

Many Boomers (born from 1946–1964) who became entrepreneurs during the information technology revolution in the 1980s and 1990s are today's serial entrepreneurs. Some data show that these fifty- and sixty-year-old founders have started more businesses in the last ten years, while in the meantime, the rate of business creation among twenty- to thirty-year-olds has slowed. With life expectancy rising, Boomers should be an important economic force for years to come:

- *Boomers have been, and will continue to be, an entrepreneurial generation.*
- *As they work longer and live longer, Boomers also will be entrepreneurs for longer periods of time.*
- *The aging of Baby Boomers will create numerous challenges and entrepreneurial opportunities—and Boomers will be the ones who start companies to capitalize on them.*
- *Boomers are the best-positioned people in America to start new companies.*

Nevertheless, the aging of the Boomer generation could further slow entrepreneurship:

- *Boomers won't start as many new companies, and the companies they do start will have less economic impact.*
- *Common sense indicates that an older population won't start new companies at a very fast pace.*
- *Higher labor force participation at older ages belies large numbers of dropouts and won't produce growth companies.*
- *Boomers, also hit hard by the Great Recession, can't afford to start new companies.*

Given what we know—and what we don't know—about the effect of coming demographic changes on entrepreneurship, the Kauffman Foundation organized a discussion panel at our annual State of Entrepreneurship event

in Washington. This panel will explore the different scenarios for entrepreneurship in the context of demographic change, and discuss ideas for maximizing the entrepreneurial potential of Millennials and Boomers, and minimizing those barriers that may impede entrepreneurship. Policy areas that deserve further attention in this context include student debt, taxes, and regulation.

The Kauffman Foundation also is launching a call for proposals to encourage researchers and others to explore these issues:

- To what extent does differential quality in entrepreneurial education shape the types of entrepreneurial outcomes?
- How do fundamental changes in the nature of family business and intergenerational transfer of such businesses affect trends observed in Millennials, in addition to those driving overall new business creation?
- How is it possible for the narratives and perceived trends with Millennials within many entrepreneurial communities to differ so much from the benchmarks documented in a variety of government sources?
- As traditional concepts of retirement become more nuanced, how will the entrepreneurial contributions of Baby Boomers continue to change?

I. Introduction and Overview

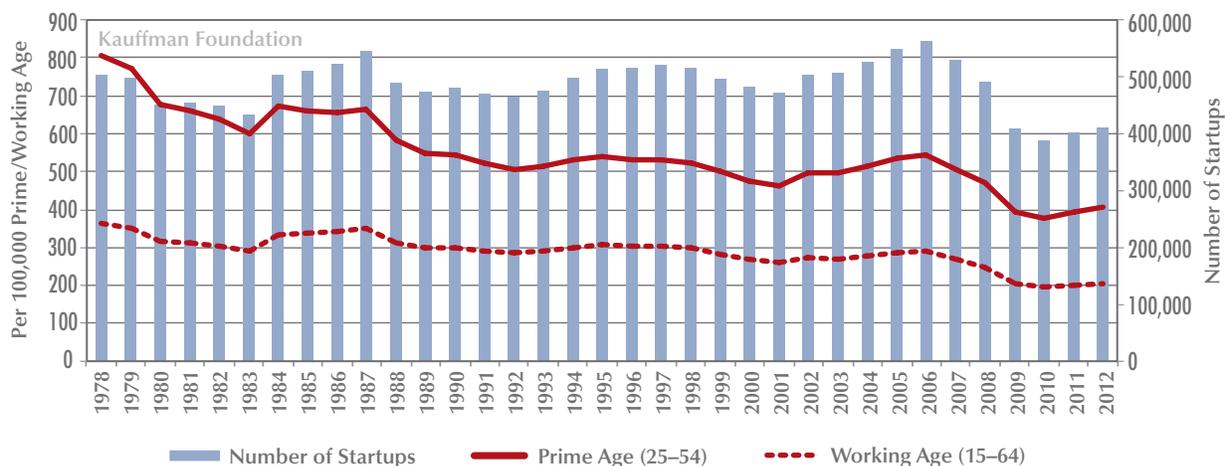
Over the past few years, as the United States economy has struggled to gain traction, entrepreneurship has been steaming ahead. Since the financial crisis, venture capital and angel investments have approached new peaks, and startup valuations have gone through the roof. Venture capital funding is now at levels not seen since the dotcom crash—by the end of the third quarter in 2014, more venture capital had been invested than in any single year since 2001.¹ Investments by angel investors continued to grow, with both deals and dollars rising back toward pre-recession levels.² The investment surge generated more optimism for 2015: CB Insights counted 588 companies in its Tech IPO Pipeline for this year, with forty-two venture-backed companies boasting \$1 billion valuations.³

1. CB Insights, "The U.S. Venture Capital Year in Review – 2014," January 2015, at <https://www.cbinsights.com/venture-capital-2014>; PWC Money Tree, "Historical trend data," authors' calculations, at <https://www.pwcmoneytree.com/HistoricTrends/CustomQueryHistoricTrend>.

2. Jeffrey Sohl, "The Angel Investor Market in Q1Q2 2014: Market Growth but Deal Size Decreases," Center for Venture Research, University of New Hampshire, November 18, 2014, at <https://paulcollege.unh.edu/sites/paulcollege.unh.edu/files/webform/Q1Q2%202014%20Angel%20Market%20Press%20Release.pdf>. See also Danielle Morrill, "Q4 2014 Startup Investment Dollars at Highest Point In 10 Years, Driven By Mega-Rounds and Private Equity," *Mattermark*, January 3, 2015, at <http://mattermark.com/q4-startup-investment-dollars-at-highest-point-in-10-years-driven-by-mega-rounds-and-private-equity/>.

3. CB Insights, *The 2015 Tech IPO Pipeline Report*, January 2015, at www.cbinsights.com.

Figure 1
**New Business Creation (1978–2012):
 Volume and Population Bases**



Source: Authors’ calculations from Census Bureau, Business Dynamics Statistics.

By some measures, then, entrepreneurship is alive and well in the United States. In Silicon Valley and elsewhere, one of the major topics of discussion is whether or not we’re in another startup bubble—something dismissed by some as “babble.”⁴ American entrepreneurs appear to have bounced back strongly from the Great Recession.

Beneath the surface, however, concerns lurk. Over the past year, an increasing number of reports and data analyses have revealed that rates of business creation have been slowing across the United States.⁵ New business creation

peaked in 2006, then plummeted 31 percent to its nadir in 2010; as of 2012, it was still 27 percent below that recent peak (see Figure 1).⁶

More broadly, a creeping quiescence has spread across the economy. Survival rates for brand new firms have been falling since the early 1990s.⁷ Reallocation of workers and across jobs has been falling for many years and, perhaps most concerning, the U.S. economy is getting smaller contributions from high-growth firms.⁸

4. Kristen V. Brown, “Sometimes talk of a tech bubble is mostly babble,” *San Francisco Chronicle*, January 2, 2015.

5. Ryan Decker, John Haltiwanger, Ron Jarmin, and Javier Miranda. “The Secular Decline of Business Dynamism in the U.S.” Working Paper. Available at http://econweb.umd.edu/~haltiwanger/DHJM_JEP_5_17_2013.pdf. See also Kauffman Foundation, *Toward America’s New Entrepreneurial Growth Agenda*, State of Entrepreneurship report, 2014, at http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2014/02/state_of_entrepreneurship_address_2014.pdf; Ian Hathaway and Robert E. Litan, “Declining Business Dynamism in the United States: A Look at States and Metros,” Brookings Institution, May 2014.

6. Testimony of Jonathan Ortman, “The Decline in Business Formation: Implications for Entrepreneurship and the Economy,” U.S. House Committee on Small Business, September 11, 2014, at http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2014/09/jonathan_ortmans_testimony_september_2014.pdf.

7. “Early-stage failure rates have increased substantially in nearly each broad industrial sector, in each firm size class, in every U.S. state, and nearly every metropolitan area between the early 1990s and 2011.” Ian Hathaway and Robert Litan, “The Other Aging of America: The Increasing Dominance of Older Firms,” *Economic Studies* at Brookings, July 2014, at http://www.brookings.edu/~media/research/files/papers/2014/07/aging%20america%20increasing%20dominance%20older%20firms%20litan/other_aging_america_dominance_older_firms_hathaway_litan.pdf.

8. Steven J. Davis and John Haltiwanger, “Labor Market Fluidity and Economic Performance,” Working Paper 20479, National Bureau of Economic Research, 2014, at <http://www.kc.frb.org/publicat/sympos/2014/083014-1.pdf>; Henry R. Hyatt and James R. Spletzer, “The Recent Decline in Employment Dynamics,” Center for Economic Studies, U.S. Census Bureau, March 2013.

In some cases, lower dynamism actually results in higher productivity—in retail, for example, the displacement of Main Street retail stores by large national chains helped drive the productivity revival in the late 1990s and early 2000s.⁹ In many ways, however, lower dynamism is bad for the economy. It could potentially mean less innovation, it could help account for stagnant wages, and it could bode poorly for future growth.

Economic growth accelerates, and thus living standards rise, when resources are allocated and reallocated to productive uses. This is the essence of dynamism and can occur through the entry and exit of firms, faster growth or faster shrinkage of those firms, and the movement of people from job to job. Young firms play an especially important role in this job reallocation: they serve as stepping stones for young workers and, when they grow, can put pressure on existing, less-productive companies.¹⁰

It's hard to know, given the juxtaposition of conflicting entrepreneurial indicators, where American entrepreneurship will go from here. Some observers think entrepreneurial dynamism will only continue its downward march—innovation is over and it's "mid-afternoon in America."¹¹ Others see the sky-high valuations in Silicon Valley and high levels of angel and venture capital funding as only the tip of the iceberg, harbingers of an entrepreneurial renaissance.

For insight into what direction we might expect entrepreneurial trends to take over the next several years, we look at two of the biggest demographic developments in America today. These are the aging of the Baby Boomer generation, and the emergence of the Millennial generation. As we discuss in this report, there are many reasons for both optimism and pessimism about how the Boomers and Millennials will shape entrepreneurship. Demography is not destiny, but, inevitably, these twin shifts—Baby Boomer aging, Millennial rising—will heavily shape the level of new

business formations, job creation, and economic dynamism in the coming decade. Already, for example, the age twenty to twenty-four cohort is the largest in the country, displacing Boomers for the first time.¹²

So here we stand, at the beginning of 2015, with contradictory signals about the state of American entrepreneurship, questions about overall dynamism, and the labor force on the brink of demographic transformation. The question here is: What effects might these generational shifts have on entrepreneurship and growth?

II. Demographics, Dynamism, and the Future of Entrepreneurship

Let's start with numbers. Something that has become a source of concern in the last few years is an apparent demographic divergence in rates of entrepreneurial activity. According to some data, at least, Americans in their fifties and sixties have started businesses at a faster pace over the last decade, while that pace has continuously slowed among Americans in their twenties and early thirties (see Figure 2).

This is not necessarily a cause for alarm about the current state of American entrepreneurship.¹³ The "peak age" for starting a business in the United States appears to be around age forty (see Figure 3). Other data, including from high-growth firm founders, show a similar distribution.¹⁴

The Baby Boomers helped catalyze the information technology revolution and its associated entrepreneurial revival in the 1980s and 1990s. Many first-time entrepreneurs in their thirties and forties then became serial entrepreneurs in their fifties and sixties. In the past decade, a growing number of Boomers became new entrepreneurs at older ages, reflecting

9. Lucia Foster, John Haltiwanger, and C.J. Krizan, "Market Selection, Reallocation and Restructuring in the U.S. Retail Trade Sector in the 1990s," *The Review of Economics and Statistics*, 2006, at <http://econweb.umd.edu/~haltiwan/p2draft68.pdf>.

10. Paige Ouimet and Rebecca Zarutskie, "Who Works for Startups? The Relation between Firm Age, Employee Age, and Growth," *Finance and Economics Discussion Series Working Paper 2013-75*, at <http://www.federalreserve.gov/pubs/feds/2013/201375/201375pap.pdf>.

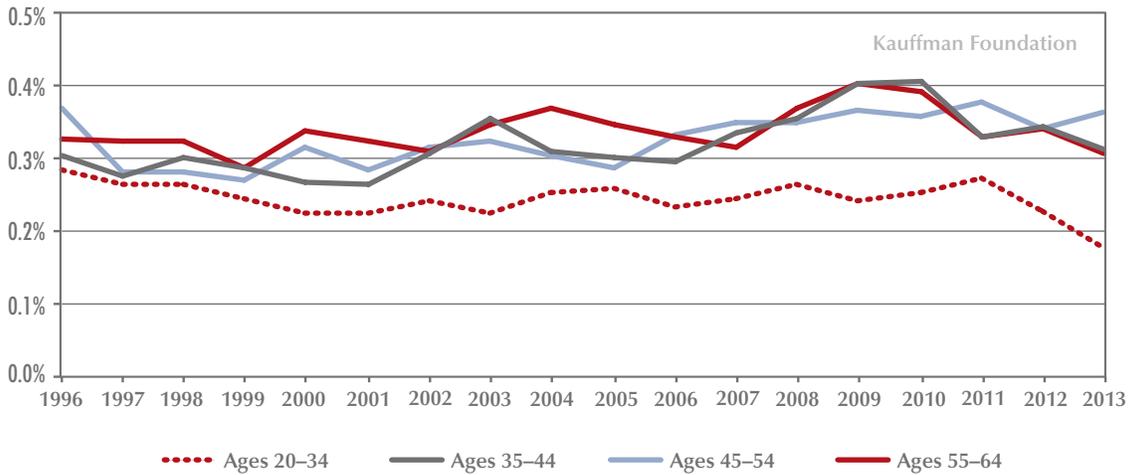
11. Robert J. Gordon, "Is U. S. Economic Growth Over? Faltering Innovation Confronts the Six Headwinds," NBER Working Paper 18315, August 2012. Edward Luce, "US should enjoy afternoon sunshine while it lasts," *Financial Times*, January 4, 2014, at <http://www.ft.com/intl/cms/s/0/89c3c7ce-9276-11e4-b213-00144feabdc0.html>.

12. Bill McBride, "Census Bureau: Largest 5-Year Population Cohort is now the '20 to 24' Age Group," *Calculated Risk*, June 26, 2014, at <http://www.calculatedriskblog.com/2014/06/census-bureau-largest-5-year-population.html>.

13. The trend in recent years—higher rates of entrepreneurial activity among people in their fifties and sixties; lower rates among those in their twenties and early thirties—likely reflects other developments. For example, since 1990, labor force participation has been rising among older Americans and falling for younger Americans. Post-secondary enrollment has grown among young people, and changes to employer pensions have helped drive the rate up among older individuals.

14. Aileen Lee, "Welcome To The Unicorn Club: Learning From Billion-Dollar Startups," *TechCrunch*, November 2, 2013, at <http://techcrunch.com/2013/11/02/welcome-to-the-unicorn-club/>.

Figure 2
Rate of New Entrepreneurial Activity, by Age (1996–2013)



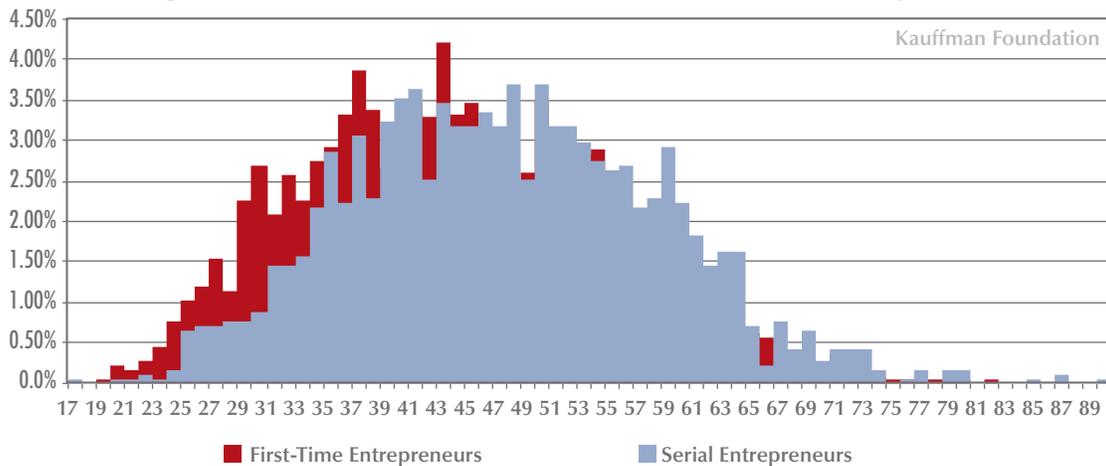
Source: Robert W. Fairlie, Kauffman Index of Entrepreneurial Activity (2014), using data from Current Population Survey, US Census Bureau.

their work experience, wealth, longer lives, and sometimes necessity.

As the Boomers age, however, what effect will it have on entrepreneurship? Are we losing a generation of entrepreneurs

that won't be replaced? Can we expect them to continue to start viable businesses into their seventies and eighties? In 2014, the oldest of the Boomers turned sixty-eight; the youngest turned fifty. The state of entrepreneurship in the

Figure 3
Age Distribution of First-Time and Serial Entrepreneurs



Source: Kauffman Firm Survey

Millennials: The Good News

- Millennials came of age as the IT revolution flourished.
- Millennials enjoy near-ubiquitous exposure to entrepreneurship.
- Millennials have high levels of educational attainment—and that will mean creation of stronger businesses.
- Millennials are on the cusp of mass entry into the “peak age” bracket for entrepreneurship.

United States over the next several years will continue to be shaped to a large extent by this generation.

Meanwhile, there is growing worry over how entrepreneurial the Millennial generation will be.¹⁵ Census data show that the demographic divergence in rates of entrepreneurial activity began in the early 2000s, when the first of the Millennials entered the workforce. Now, the gap has grown wider, and the 2008–09 financial crisis and Great Recession hit the Millennials particularly hard. Surveys show Millennials to be very inclined to potential interest in entrepreneurship, and more and more have been exposed to entrepreneurship at college, but many of them are starting their careers from a negative financial position. As the oldest of the Millennials enter the “peak age” brackets for entrepreneurial propensity, will entrepreneurship explode or continue to languish?

III. Millennials: Why They Will—or Won’t—Save Entrepreneurship

The Good News

Five years ago, in 2010, the two largest age groups in the United States were those forty-five to forty-nine and fifty to fifty-four. Five years from now, in 2020, the two largest age groups will be those twenty-five to twenty-nine and thirty to thirty-four.¹⁶ The United States may be getting older overall, with a rising median age and rising old age dependency ratio,

but the growth of the Millennial generation is reshaping the age structure of the population and the labor force. Here, we present several reasons why Millennials will, among other things, drive a revival of American entrepreneurship.

- *Millennials came of age as the IT revolution flourished.*

In the awkward terminology beloved by consultants, they are “digital natives,” and everyone else is a “digital immigrant.” Because of the continuing rapid growth of IT—“software is eating the world,” in Marc Andreessen’s memorable phrase—Millennials will be well positioned to turn new technology into new entrepreneurial ventures.¹⁷ Asked to identify what sets them apart from other generations, one-quarter of Millennials respond “technology use,” while other generations commonly focus on generalities like “work ethic.”¹⁸ Their close self-identification with technology runs both ways: while more Millennials may indeed boost entrepreneurship through information technology, they also may be inclined toward high levels of “venturesome consumption” needed for entrepreneurs to gain traction.¹⁹

- *Millennials enjoy near-ubiquitous exposure to entrepreneurship.*

Like other behaviors and activities, entrepreneurship spreads virally through social networks—exposure through parents and peers raises the likelihood that a person will start a business.²⁰ The Millennial generation has benefited from rising exposure to parents who are entrepreneurs: by 2013, 3 percent of college freshmen reported that their mothers were

15. Ruth Simon and Caelainn Barr, “Endangered Species: Young U.S. Entrepreneurs,” *Wall Street Journal*, January 2, 2015, p. A1.

16. Bill McBride, “Census Bureau: Largest 5-Year Population Cohort is now the ‘20 to 24’ Age Group,” *Calculated Risk*, June 26, 2014, at <http://www.calculatedriskblog.com/2014/06/census-bureau-largest-5-year-population.html>.

17. Marc Andreessen, “Why Software is Eating the World,” *Wall Street Journal*, August 20, 2011, at <http://www.wsj.com/articles/SB10001424053111903480904576512250915629460>.

18. Gen X also lists “technology use” as its top distinguishing characteristic, but at half the rate that Millennials did: 12 percent as opposed to 24 percent. Paul Taylor and the Pew Research Center, *The Next America: Boomers, Millennials, and the Looming Generational Showdown* (Public Affairs, 2014), at 34.

19. “Venturesome consumption” can be defined as “the willingness of consumers, whether individuals or firms, to try new products and services,” from “Venturesome consumption,” *The Economist*, July 27, 2006, at <http://www.economist.com/node/7223828>; Amar Bhide, *The Venturesome Economy: How Innovation Sustains Prosperity in a More Connected World* (Princeton, 2008).

20. Robert W. Fairlie and Alicia Robb, “Families, human capital, and small business: Evidence from the characteristics of business owners survey,” *Industrial and Labor Relations Review* (2007): 225–245.

entrepreneurs, and 9 percent had fathers who ran a business.²¹ These may not sound like high numbers but, compared to prior generations, they represented higher levels of familial exposure among incoming freshmen.

Exposure to entrepreneurship has not been limited to the Millennials' home environments. Over the past several years, entrepreneurship has been the fastest-growing curricular, co-curricular, and extracurricular activity on college campuses (see sidebar).²² While research on the impact of this increase is sparse, there is some emerging evidence that Millennials want to start their own companies or work for young companies more than their predecessors did. For example, surveys of alumni from the Massachusetts Institute of Technology show ever-escalating rates of business creation decade by decade.²³ Wider surveys of all business school graduates have shown an increase in business creation immediately upon graduation.²⁴ Overall, Millennials evince high levels of interest in starting a business at some point during their lifetimes.²⁵

- *Millennials have high levels of educational attainment—and that will mean creation of stronger businesses.*

In 1968, roughly 15 percent of twenty-five to twenty-nine-year-olds held a bachelor's degree or higher. Today, 34 percent of twenty-five to twenty-nine-year-olds hold at least a bachelor's degree.²⁶ Higher educational attainment has not

been found to be correlated with a higher propensity toward entrepreneurship. But, more education does appear to lead to greater entrepreneurial success.²⁷ So, while we may not reap higher rates of business entry, Millennials' unprecedented educational attainment could help counter rising exit rates in young firms.

- *Millennials are on the cusp of mass entry into the "peak age" bracket for entrepreneurship.*

Rise of Entrepreneurship Education on Campus

- 1975:** Colleges/universities offered around 100 formal majors, minors, and certificates in entrepreneurship²⁸
1.5 percent of college freshmen report to want to own a business²⁹
- 1985:** About 250 courses in entrepreneurship³⁰
- 2000s:** Colleges and universities are receiving major endowments for entrepreneurship education³¹
- 2008:** More than 5,000 entrepreneurship courses
More than 400,000 students a year take them
Around 9,000 faculty members teach entrepreneurship³²

21. John H. Pryor, Sylvia Hurtado, Victor B. Saenz, José Luis Santos, and William S. Korn, "The American Freshman: Forty Year Trends, 1966–2006," University of California, Los Angeles, April 2007, at <http://www.heri.ucla.edu/PDFs/pubs/TFS/Trends/Monographs/TheAmericanFreshman40YearTrends.pdf>; Kevin Eagan, Jennifer B. Lozano, Sylvia Hurtado, and Matthew H. Case. 2013. "The American Freshman: National Norms Fall 2013," *University of California, Los Angeles*, 2013, at <http://www.heri.ucla.edu/monographs/theamericanfreshman2013.pdf>.

22. Louis G. Tornatzky and Elaine C. Rideout, *Innovation U 2.0: Reinventing University Roles in a Knowledge Economy*, 2014, at http://www.innovation-u.com/InnovU-2.0_rev-12-14-14.pdf.

23. Edward B. Roberts and Charles Eesley, "Entrepreneurial Impact: The Role of MIT," *MIT Sloan School of Management*, February 2009, at http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2009/02/mit_impact_full_report.pdf.

24. Gregg Schoenfeld. 2014. Alumni Perspectives Survey Report. Graduate Management Admission Council at <http://www.gmac.com/market-intelligence-and-research/research-library/measuring-program-roi/2014-alumni-perspectives-survey-report.aspx>; Elliot Schreud and Gina Barton. 2014. *Millennials Rising: A Chartbook*. New American Foundation at <http://newamerica.org/downloads/Millennials-Rising-Chartbook.pdf>.

25. "Young Invincibles Policy Brief," *Ewing Marion Kauffman Foundation*, 2011, at http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2011/11/millennials_study.pdf.

26. Victoria Stilwell, "Millennials Most-Educated U.S. Age Group After Downturn: Economy," *Bloomberg*, October 8, 2014, at <http://www.bloomberg.com/news/2014-10-08/millennials-become-most-educated-u-s-age-group-due-to-recession.html>.

27. J. Van der Sluis, M. Van Praag, and W. Vijverberg, 2008. Education and entrepreneurship selection and performance: a review of the empirical literature. *Journal of Economic Surveys* 22, 795–841.

28. Wendy E.F. Torrance, Jonathan Rauch, Williams Aulet, Lenore Blum, Brad Burke, Troy D'Ambrosio, Kimberly De los Santos, et al. "Entrepreneurship Education Comes of Age on Campus: The Challenges and Rewards of Bringing Entrepreneurship to Higher Education," *Ewing Marion Kauffman Research Paper*, August 2013, at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2307987.

29. John H. Pryor and E.J. Reedy, "Trends in Business Interest Among U.S. College Students: An early exploration of data available from the Cooperative Institutional Research Program," November 1, 2009, at <http://ssrn.com/abstract=1971393>.

30. Wendy E.F. Torrance and Jonathan Rauch, "Entrepreneurship Education Comes of Age on Campus: The Challenges and Rewards of Bringing Entrepreneurship to Higher Education," *Ewing Marion Kauffman Research Paper*, August 2013, at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2307987.

31. George T. Solomon, Susan Duffy, and Ayman Tarabishy, "The State of Entrepreneurship Education in the United States: a Nationwide Survey and Analysis," *International Journal of Entrepreneurship Education (IJEE)*, Vol. 1 Issue 1, 2002, at <http://www.senatehall.com/entrepreneurship?article=19>.

32. George T. Solomon, "The National Survey of Entrepreneurship Education: An Overview of 2012-2014 Survey Data," *George Washington University Center for Entrepreneurial Excellence*, forthcoming 2015.

The oldest Millennials will turn thirty-four this year; there is no historical law dictating that people in their late thirties and early forties will always be the most likely to start a business, but there is also no reason to expect departure from this pattern. This will, moreover, be the largest cohort at these ages ever in American history (Figure 4).

We see so many people become entrepreneurs at these ages in part because they have gained experience through work and developed insight into a particular industry or problem. It does not seem outlandish—keeping in mind that demography is not deterministic—to expect that a giant group of people in this age group will help revitalize rates of entrepreneurship.

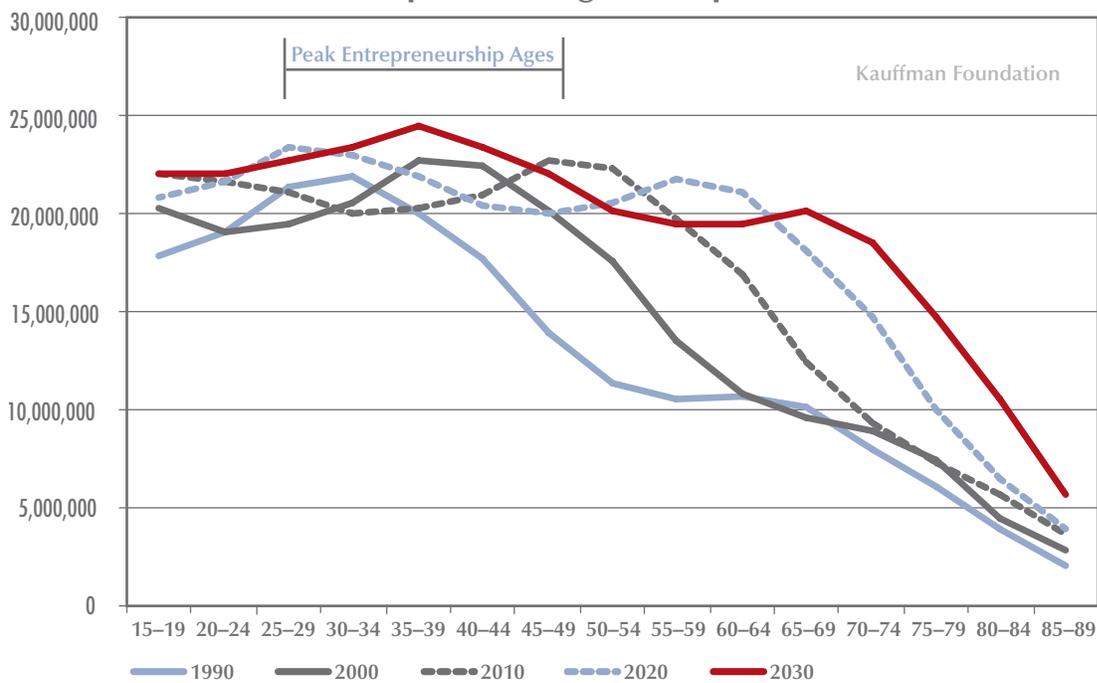
The Bad News

Unfortunately, there are also strong reasons to be pessimistic about the entrepreneurial future of Millennials. In particular, we are concerned by changing financing structures surrounding higher education, coupled with the devastating initial blow and lasting effects of the Great Recession. Through multiple channels, these dual challenges have reduced Millennials' overall wealth, as well as hurt their ability to gain relevant industry experience—both of which are crucial for entrepreneurial entry and entrepreneurial success.

- *Millennials can't afford to be entrepreneurs.*

Rising educational attainment is not free, and Millennials have experienced exploding student debt, which puts them in an immediate hole as they start their careers.³³ Debt-

Figure 4
U.S. Population Age Group (1990–2030)



Source: Julie Meyer, "Age: 2000," Census 2000 Brief, U.S. Census Bureau, October 2001; Lindsay M. Howden and Julie A. Meyer, "Age and Sex Composition: 2010," 2010 Census Briefs, U.S. Census Bureau, May 2011.

33. U.S. Department of Education, Federal Student Aid Portfolio 2014 at <https://studentaid.ed.gov/about/data-center/student/portfolio>.

Millennials: The Bad News

- Millennials can't afford to be entrepreneurs.
- The Great Recession dealt a permanent blow to Millennials' entrepreneurial potential.
- Fewer young companies will mean fewer exposure opportunities for Millennials, which will mean lower rates of entrepreneurship.
- The explosion of entrepreneurship education on college campuses may not have much impact on actual business creation.
- Millennials won't have the same social and economic resources at their disposal as past generations did.

laden graduates do not just start off with a smaller pile of cash, though—the debt overhang can have cascading consequences, affecting career choices and making it harder to buy a home.³⁴ Student debt not only places graduates fifty yards behind the starting line but also affects how the race is run. With suboptimal job matches and investment opportunities, would-be entrepreneurs may remain just that: would-be.

- *The Great Recession dealt a permanent blow to Millennials' entrepreneurial potential.*

Very few people made it through the financial crisis and recession unscathed, but Millennials bore a particularly disproportionate burden. This has meant short-term hardship, but also a potential dent in their future productive capacity.³⁵ Historically, housing wealth has been a major source of savings for Americans, as well as a source of seed capital for new companies. Compared to older age groups, Millennials' home ownership rates plunged during the Great Recession and have yet to recover, causing young families' net wealth to remain depressed even amid rising housing prices.³⁶ The decimation of home equity in the recession may be one reason that the volume of business creation has remained at very depressed levels even during the subsequent recovery. As David Robinson of Duke University observed in a Brookings Institution presentation: "the housing crisis is essentially an entrepreneurship crisis."³⁷

The labor market also has been exceptionally weak for Millennials, with high rates of unemployment and underemployment.³⁸ Poor job prospects drove many back to school, which helped create those high levels of student debt. These workforce trends have delayed asset accumulation among Millennials and, unfortunately, will be an economic anchor on them. It is well documented by economists that unemployment and underemployment at the beginning of one's career can depress lifelong earnings.³⁹ Starting a company may not look like a viable way of trying to catch up.

- *Fewer young companies will mean fewer exposure opportunities for Millennials, which will mean lower rates of entrepreneurship.*

Young companies are more likely to employ young workers—because young companies are more volatile than older companies are, young workers historically have used jobs at young companies as ways to gain experience and move on to better jobs elsewhere. In addition, young companies serve as "hothouses" producing future entrepreneurs—employment in a young company raises the likelihood that someone will go on to start another company.⁴⁰

If rates of new business entry remain stagnant or depressed, and if there are fewer young firms in the United States relative to companies of other ages, this will mean a diminished role for young companies along these two

34. Paul Taylor and the Pew Research Center, *The Next America: Boomers, Millennials, and the Looming Generational Showdown* (Public Affairs, 2014), at 61.

35. Andrew Sum and Ishwar Khatiwada. 2010. "The Nation's underemployed in the 'Great Recession' of 2007–09." *Monthly Labor Review* 133, No. 11, 3–15 at <http://www.bls.gov/opub/mlr/2010/11/art1full.pdf>.

36. William R. Emmons and Bryan J. Noeth, "Housing Crash Continues to Overshadow Young Families' Balance Sheets," *Federal Reserve Bank of St. Louis*, February 2014, at <http://www.stlouisfed.org/publications/itb/articles/?id=2481>; Reid Cramer. 2014. "Millennials Rising: Coming of Age in the Wake of the Great Recession." New America Foundation at http://newamerica.org/downloads/Millennials_Rising_Coming_of_Age_in_the_Wake_of_the_Great_Recession.pdf.

37. David Robinson, "The Financing Choices of Young Firms," Presentation at Brookings Institution, December 2012. See also Robert W. Fairlie, "Immigrant Entrepreneurs and Small Business Owners, and their Access to Financial Capital," Office of Advocacy, Small Business Administration, May 2012, at <https://www.sba.gov/sites/default/files/rs396tot.pdf>. (Finding that home owners are more likely to start businesses than non-homeowners, even after controlling for other factors.)

38. Heidi Shierholz, Alyssa Davis, and Will Kimball, "The Class of 2014: The Weak Economy Is Idling Too Many Young Graduates," *Economic Policy Institute*, May 1, 2014, at <http://www.epi.org/publication/class-of-2014/>.

39. Lisa B. Kahn, "The long-term labor market consequences of graduating from college in a bad economy." *Labour Economics* 17.2 (2010): 303–316.

40. Joachim Wagner, "Are Young and Small Firms Hothouses for Nascent Entrepreneurs? Evidence from German Micro Data," IZA Discussion Paper, January 2004; Paul Gompers, Josh Lerner, and David Scharfstein, "Entrepreneurial Spawning: Public Corporations and the Genesis of New Ventures, 1986 to 1999," *Journal of Finance*, April 2005; Simon C. Parker, "Why Do Small Firms Produce the Entrepreneurs?" *Journal of Socio-Economics*, June 2009.

dimensions. While they are exposed to many different entrepreneurship education programs at universities, Millennials may face fewer opportunities than prior generations had to actually work at entrepreneurial firms. This will mean not only a damaged labor market vehicle, but also a lower level of business creation.

- *The explosion of entrepreneurship education on college campuses may not have much impact on actual business creation.*

Despite the opportunity to gain exposure to entrepreneurship through courses, degree programs, pitch competitions, and other activities at universities, the jury is still out as to what effect any of this has on preparing—or inspiring—people to be entrepreneurs (or successful entrepreneurs, at that).⁴¹ Rigorous evaluations are sparse, and those that have been conducted are not encouraging.⁴² And, paradoxically, higher exposure could turn people away from entrepreneurship: if someone is able to test the waters of entrepreneurship through a competition or experiential program, they may decide it's not for them. Early exposure could have a negative selection effect on entrepreneurial entry. It's thus possible—though still highly uncertain—that the increase in entrepreneurship education and training programs will have little to no effect on rates of new business creation.

- *Millennials won't have the same social and economic resources at their disposal as past generations did.*

Productivity growth, which is the wellspring of rising living standards, is driven by technology, human capital, and infrastructure (physical capital).⁴³ These ingredients arise through both public and private sources and, since World War II, the federal government has spent billions on them. In the 1970s, "productive" government investment (defense, technology, research and development, infrastructure) accounted for more than 60 percent of federal spending, while "less productive" government expenditures (entitlements and interest payments) accounted for the remainder.⁴⁴ Over time,

the "less productive" category has steadily grown, and now takes up the lion's share of federal spending.⁴⁵

In total dollar terms, of course, the federal government spends more today on things like research than it did in the 1970s, but the relative share has fallen. Mandatory spending is crowding out discretionary spending—the latter, among other things, helps build the capital resources that entrepreneurs then draw upon in creating and growing businesses. Try to imagine the IT revolution without the investments of the National Science Foundation in the Internet, or advances in biotechnology without federally funded university research. Past generations of American entrepreneurs have had ample public resources to draw upon, and the crowding out of these federal investments threatens the availability of those resources for Millennial entrepreneurs.

IV. Baby Boomers: Why They Will—or Won't—Sustain Entrepreneurship

The Good News

There's little question that the Baby Boomers reshaped the American economy in the second half of the twentieth century. In the 1970s, 1980s, and 1990s, the prime age population of the country rose at a blistering pace as the Boomers swept through the labor force. Labor force participation by women rose from 43 percent in 1970 to nearly two-thirds by the year 2000.⁴⁶ And, just as prior generations had driven the "high school movement" in the first half of the twentieth century, the Boomers were the first to attend college in mass numbers.

In 2015, the oldest Baby Boomers will turn sixty-nine and the youngest will turn fifty-one—with rising life expectancy at older ages, we can expect the Boomers to continue to be an important economic force for many years. Here are several reasons why Boomers, as they age, will help boost American entrepreneurship.

41. Paul Graham, "Before the Startup," October 2014, at <http://paulgraham.com/before.html>.

42. See, e.g., Elaine C. Rideout and Denis O. Gray, "Does Entrepreneurship Education Really Work? A Review and Methodological Critique of the Empirical Literature on the Effects of University-Based Entrepreneurship Education," *Journal of Small Business Management*, 2013; Alexandria Valerio, Brent Parton, and Alicia Robb, *Entrepreneurship Education and Training Programs around the World: Dimensions for Success*, World Bank (May 2014).

43. Dale W. Jorgenson, Mun S. Ho, and Kevin J. Stiroh, "Growth of U.S. Industries and Investments in Information Technology and Higher Education," National Bureau of Economic Research, August 2005, at <http://www.nber.org/chapters/c10627.pdf>.

44. Mary Meeker, "USA Inc.: A Basic Summary of America's Financial Statements," Kleiner Perkins Caufield Byers, February 2011, at http://images.businessweek.com/mz/11/10/1110_mz_49meekerusa.inc.pdf.

45. David Leonhardt, *Here's the Deal: How Washington can Solve the Deficit and Spur Growth* (Byliner, 2013).

46. Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED), at <http://research.stlouisfed.org/fred2/>.

The Boomers: The Good News

- Boomers have been an entrepreneurial generation, and they will continue to be.
- As they work longer and live longer, Boomers also will be entrepreneurs for longer periods of time.
- The aging of Boomers will create numerous challenges and entrepreneurial opportunities—and Boomers will be the ones who start companies to capitalize on them.
- Boomers are the best-positioned people in America to start new companies.

- *Boomers have been an entrepreneurial generation, and they will continue to be.*

Over the past several years, members of this generation have had high levels of entrepreneurial activity in their forties, fifties, and sixties.⁴⁷ Because of the age distribution of Boomers, there is reason to expect that they will continue to start and run businesses at a consistent pace.⁴⁸

The companies being started by this generation are diverse, spanning all sectors, including technology.⁴⁹ Because serial entrepreneurship tends to be much higher among older individuals (unsurprisingly, since they have had more time to start multiple companies), we might expect that Boomer entrepreneurs will start additional companies even at older ages. Based on research, it is possible that the companies founded by serial Boomer entrepreneurs will have high rates of success.⁵⁰

- *As they work longer and live longer, Boomers also will be entrepreneurs for longer periods of time.*

In 1980, the average sixty-five-year-old American could expect to live another fifteen years. Those fifteen years, moreover, likely would be filled with health problems. Today, the average sixty-five-year-old can expect to live another twenty-one years and, because of advances in medical treatment and technology, those additional years are more likely to be healthier—even more economically productive—than in past decades. To remain engaged, many may choose

to start or join new businesses, bringing their experience and networks to bear.

There is some evidence such a shift is already underway. Labor force participation for those in their late fifties, sixties, and even seventies has risen steadily since 1990, with particularly rapid growth since 2000.⁵¹ The reasons for this may not be very salutary (eviscerated nest eggs, moved out of long-time jobs prematurely, trying to make ends meet), but it could have beneficial knock-on effects in terms of entrepreneurship. Older entrepreneurs don't usually start companies out of retirement or unemployment—they are more likely to do so from a job.⁵² So rising labor force participation among Boomers, combined with their existing propensity to start companies, could mean a boost to rates of business creation in the future.

- *The aging of Baby Boomers will create numerous challenges and entrepreneurial opportunities—and Boomers will be the ones who start companies to capitalize on them.*

A common piece of advice doled out to hopeful entrepreneurs these days is that they should seek to solve their own problems, because they likely will be problems faced by others, as well. If we take the liberty of expanding that out to a generation, we might anticipate that, as Boomers age, they will start companies to address the problems and challenges presented by generational aging. The United States will shortly face pressing challenges relating to health, medicine,

47. Robert W. Fairlie, *Kauffman Index of Entrepreneurial Activity* (2014), at <http://www.kauffman.org/what-we-do/research/kauffman-index-of-entrepreneurial-activity>; Christian Weller, Jeffrey Wenger, Benjamin Lichtenstein, and Carolyn Arcand. 2013. "Increasing Entrepreneurship Among Older Americans: Policy and Lessons and Recommendations." *Public Policy & Aging Report* 24 (4): 148–154 at <http://ppar.oxfordjournals.org/content/24/4/148.extract>; Christian E. Weller, Jeffrey B. Wenger, Benjamin Lichtenstein, and Carolyn Arcand. n.d. "The Implications of Growing Wealth Inequality for Entrepreneurship among Older Households." ASSA 2015 Conference Presentation at <https://www.aeaweb.org/aea/2015conference/program/retrieve.php?pdfid=794>.

48. Chris Farrell, *Unretirement: How Baby Boomers are Changing the Way We Think About Work, Community, and the Good Life* (Bloomsbury, 2014).

49. Vivek Wadhwa, Richard Freeman, and Ben Rissing, "Education and Tech Entrepreneurship," Kauffman Foundation, May 2008, at http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2008/06/education_tech_ent_061108.pdf.

50. Sonali Shah and Diane Burton, "Background of Entrepreneurs: Human Capital," *State of the Field*, November 2014, at www.stateofthefield.org.

51. Mitra Toossi. 2013. "Labor Force Projections to 2022: The Labor Force Participation Rate Continues to Fall." *Monthly Labor Review* at <http://www.bls.gov/opub/mlr/2013/article/labor-force-projections-to-2022-the-labor-force-participation-rate-continues-to-fall.htm>.

52. For research cited in this paragraph, see Daniel F. Spulber and Dane Stangler, "The Age of the Entrepreneur: Demographics and Entrepreneurship," March 2013.

The Boomers: The Bad News

- They won't start as many new companies, and the companies they do start will have less economic impact.
- Common sense indicates that an older population won't start new companies at a very fast pace.
- Higher labor force participation at older ages belies large numbers of dropouts and won't produce growth companies.
- Boomers can't afford to start new companies.

transportation, finance, and housing—each of these challenges presents an array of entrepreneurial opportunities, and Boomers could be the ones to pursue them.

- *Boomers are the best-positioned people in America to start new companies.*

Even taking the Great Recession into account, Baby Boomer households generally have higher levels of wealth than younger households do. This should provide a strong wealth cushion for those who wish to start companies. Combined with their rich work experience, this could raise the probability of new business formation among Boomers. In the abstract, some research indicates that older individuals have fewer worries when they consider the risks of starting a business: they have more experience (perhaps prior entrepreneurial ventures) and often an alternative source of income (most likely from a spouse). These factors may lower the risk for older individuals to start businesses.⁵³

The Bad News

Just as there are reasons for being skeptical about the impact Millennials might have on business creation, we need to keep in mind several ways in which the aging of the Baby Boomers could further depress rates of entrepreneurship.

- *They won't start as many new companies, and the companies they do start will have less economic impact.*

The probability of starting a company rises steadily with age, and the Boomers have appeared to bear that out with relatively high rates of entrepreneurial activity at older ages. But, that probability tends to fall off steeply after age fifty-five, leading to uncertainty about whether Boomers can actually sustain their current rates of business creation.

Entrepreneurial activity among aging Boomers also could turn out to be less economically significant.⁵⁴ Self-employment rates rise with age, and older age groups are more likely to be self-employed than younger counterparts are, but self-employment adds less to growth than entrepreneurship does. Self-employment often is used as a statistical proxy for entrepreneurship, but it is not necessarily an economic proxy. Research also suggests that companies started by older entrepreneurs have lower levels of employment and lower rates of employment growth.⁵⁵

- *Common sense indicates that an older population won't start new companies at a very fast pace.*

There is disagreement over whether the individual decision to become an entrepreneur at older ages is a good idea. Some research has found that entrepreneurial intention falls off at older ages in part because, ostensibly, older individuals face a higher opportunity cost to the entrepreneurial decision. That is, because they have amassed wealth and savings and, in most cases, have families, older individuals may have more to lose and so would be less willing to risk it all by starting companies.

Additionally, the life cycle theory of entrepreneurship posits that entrepreneurship, as a form of asset accumulation, should be more prevalent at younger ages as individuals accumulate assets, and then should diminish at older ages when those assets are consumed.⁵⁶

- *Higher labor force participation at older ages belies large numbers of dropouts and won't produce growth companies.*

Even if labor force participation has risen among older age groups over the last twenty-five years, the Great Recession

53. Daniel F. Spulber and Dane Stangler, "The Age of the Entrepreneur: Demographics and Entrepreneurship," March 2013.

54. Kelly A. Holder and Sandra L. Clark. 2008. Working Beyond Retirement-Age. U.S. Census Bureau, Housing and Household Economics Division at <https://www.census.gov/hhes/www/laborfor/Working-Beyond-Retirement-Age.pdf>.

55. De Kok, et al., "New Firm Performance: Does the Age of Founders Affect Employment Creation?" EIM Research Report, April 2010.

56. See, e.g., Daniel F. Spulber, *The Innovative Entrepreneur* (Cambridge, 2014).

may mark a distinct turn in this trend. Overall labor force participation has fallen during the recovery and generally has been stagnant since 2000. This reflects people simply dropping out of the labor force altogether—neither working nor looking for work. To the extent this will be true for Boomers, it will mean that these individuals are highly unlikely to start companies. If older Americans are working at higher levels because they need to supplement their retirement savings or better provide for themselves, that could mean more “necessity” entrepreneurship than growth entrepreneurship.

- *Boomers can't afford to start new companies.*

Just as Millennials were hit hard by the Great Recession, so too did Boomers watch their 401(k)s, savings accounts, and home equity vanish. Despite a buoyant stock market and rising home values for several years, many Boomers likely will be reluctant to tap their savings or home equity as sources of funding for new businesses. For those in their fifties and sixties, median household net worth is lower today than for similar households in the mid-1980s.⁵⁷

V. Final Thoughts

Demographic change is powerful, but other factors are always at play. The developments discussed above will materialize in different ways, and their interaction will have different consequences for entrepreneurship. But, while demography is not necessarily destiny, the nice thing about demographic trends is they at least provide some measure of certainty about the shape of the workforce and the age structure of the population. These are not strictly determinative, but they are large forces in economic growth and entrepreneurship.

The question facing policymakers and others is: given what we can reasonably know about demographic changes over the next few years, and given various scenarios about how these changes could affect entrepreneurship, what might be done today to raise or lower the probability of these scenarios? Namely, how do we maximize the entrepreneurial potential of both the Boomers and Millennials, and minimize the barriers and challenges facing them?

These are complex questions—which is why we've brought together experts in our State of Entrepreneurship event to discuss ideas about what policymakers and others might do to maximize the entrepreneurial potential of these demographic groups. There also is quite a bit we don't know about the challenges and opportunities here—which is why we are launching a call for proposals at our State of Entrepreneurship event to encourage researchers and others to explore these issues. Here, we highlight some of the policy areas we are exploring with partners, some areas where further work is needed, and places where questions remain.

Policy Areas Kauffman is Exploring

Student Debt

We are too early in our understanding of the relationship of rising student debts and entrepreneurial outcomes to definitively equate falling Millennial entrepreneurship rates with changing collegiate financing structures. Existing evidence, however, does not lead us to believe that income-based repayment options are enough of a solution to alter falling entrepreneurship in a large way. Indeed, if a relationship exists between rising debt and career choice, it seems likely that a more wholesale reconsideration of the nature of accumulated debt might be warranted.

Taxes

At some point in the near future, the United States tax code will receive an overhaul—fiscal, social, and economic pressures will sooner or later be too much for the current system to bear. Tax reform could either be incredibly bad or incredibly good for entrepreneurs of all kinds, and will turn out to be an influential force in shaping the entrepreneurial decisions and outcomes of Boomer and Millennial entrepreneurs. Further work is needed on what types of tax structures will be fiscally sustainable as well as beneficial for entrepreneurs.

Preserving Competition, Reducing Protection

Along a number of dimensions, there is mounting evidence that higher protective barriers across the economy may be keeping entrepreneurs out. The 'creeping quiescence'

57. Paul Taylor and the Pew Research Center, *The Next America: Boomers, Millennials, and the Looming Generational Showdown* (Public Affairs, 2014).

noted earlier might be related to more licensing barriers, a change in antitrust enforcement, overly restrictive intellectual property rights, or more general examples of “rent-seeking” behavior by established companies. Careful research and policy analysis are needed to figure out if such early evidence is correct.

Areas for Further Work

More and Better Data

The foregoing discussion on demographic changes also highlights the need for benchmarking and measurement systems to become more nuanced and timelier. Together with the Kauffman Foundation, the Census Bureau has embarked on a new effort to conduct an annual Survey of Business Owners (SBO)—previously, this key source of information on business performance and owner demographics was carried out every five years. This partnership should produce new data that is more detailed than before and that helps expand our understanding of entrepreneurial activity. The Kauffman Foundation also will be releasing an updated and revised version of our core benchmarking statistics, the Kauffman Index of Entrepreneurial Activity, this year, with expanded data through the new annual SBO available throughout 2015.

New Financing Vehicles

Financial innovation has, understandably, become a four-letter word since 2008. But, financial innovation is a diverse phenomenon, and the demographic changes explored here mean the nature of entrepreneurial financing will need to continue to evolve.⁵⁸ The considerable buzz around equity crowdfunding has yet to be justified, in part because of delayed action on the part of the Securities and Exchange Commission (SEC), and in part because of concerns about fraud. In the absence of SEC action, a dozen states have allowed equity crowdfunding, which should allow research and data collection

on its effects.⁵⁹ New modes of entrepreneurial financing also may be needed because of the aging of the Boomers and the continued moribund housing market.⁶⁰ In any case, further work is needed to make sure that financial innovation not only continues, but also responds to the needs of entrepreneurs.

Productive Federal Spending

There has been a small chorus arguing that loose monetary policy and low interest rates mean the government should be spending more on infrastructure.⁶¹ The recent history of government infrastructure spending may not be heartening to many, and there is probably little agreement on what types of infrastructure should be funded. But, given the clear importance of federal spending to huge chunks of innovation and entrepreneurship over the last 200 years, the data showing a steep decline in the share of “productive” federal spending should be worrying to everyone. Additional work is needed on how to increase such spending, where it should be targeted, and what the fiscal implications would be.

Outstanding Questions

We conclude with a handful of questions that relate to the demographic trends discussed in this report, and that we think will need answering if any progress is to be made on maximizing the entrepreneurial potential of Boomers and Millennials.

With the call for research proposals the Kauffman Foundation is launching alongside the State of Entrepreneurship event and report, we hope to see this list of questions grow, and to engage with a variety of partners to pursue them.

- To what extent is differential quality in entrepreneurial education impacting the types of entrepreneurial outcomes?

58. Robert E. Litan, “In Defense of Much, But Not All, Financial Innovation,” Brookings Institution, February 2010, at <http://www.brookings.edu/research/papers/2010/02/17-financial-innovation-litan>.

59. Jason Wiens, “State Equity Crowdfunding Policies Hold Promise,” *Forbes*, May 28, 2014, at <http://www.forbes.com/sites/kauffman/2014/05/28/state-equity-crowdfunding-policies-hold-promise/>.

60. Dane Stangler, “In Search of a Second Act: The Challenges and Advantages of Senior Entrepreneurship,” Testimony before the U.S. Senate Special Committee on Aging and the Senate Committee on Small Business and Entrepreneurship, February 12, 2014, at <http://www.kauffman.org/what-we-do/research/2014/02/the-challenges-and-advantages-of-senior-entrepreneurship>.

61. See, e.g., Chapter 3, “Is It Time for an Infrastructure Push? The Macroeconomic Effect of Public Spending,” in International Monetary Fund, *World Economic Outlook: Legacies, Clouds, Uncertainties*, October 2014, at <http://www.imf.org/external/pubs/ft/weo/2014/02/>; Lawrence Summers, “Why public investment really is a free lunch,” *Financial Times*, October 6, 2014. <http://www.ft.com/intl/cms/s/2/9b591f98-4997-11e4-8d68-00144feab7de.html#axzz3OSz9EaUy>.

- How are fundamental changes in the nature of family business and intergenerational transfer of such businesses affecting trends observed in Millennials in addition to those driving new business creation?⁶²
- How is it possible for the narratives and perceived trends with Millennials within many entrepreneurial communities to differ so much from the benchmarks documented in a variety of government sources?
- As traditional concepts of retirement become more nuanced, how will the entrepreneurial contributions of Baby Boomers continue to change?

62. *Market Pulse Quarterly Survey Report Q4 2012*, International Business Brokers Association. 2012 at http://bschool.pepperdine.edu/about/people/faculty/appliedresearch/research/pcmsurvey/content/marketpulse_q4.pdf.

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4801 ROCKHILL ROAD
KANSAS CITY, MISSOURI 64110
816-932-1000
www.kauffman.org