

# COVID-19 Missouri Economy Indicators

## Older Adults in Business Ownership and Workforce

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Since the novel coronavirus, or COVID-19, pandemic emerged as a global health concern, many efforts have focused on containing and treating the disease. At the same time, states and municipalities must manage how to reopen their economies. This Missouri Economy Indicators series highlights data and potential resources that businesses and policymakers can use to navigate this evolving situation.

Older adults, defined here as aged 55 and older, face a greater risk from COVID-19 illness than younger adults in the labor force. This brief highlights that the older adult workforce segment has become increasingly important as a source of business ownership and employment.

### Older Adult Business Ownership

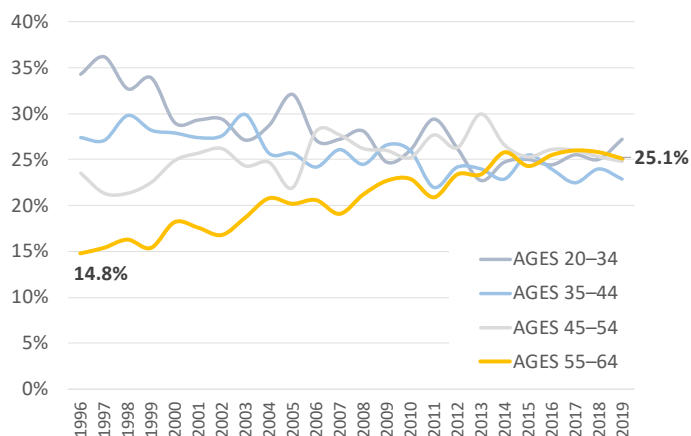
#### 1 of 3 Business Owners are 55 and Older

In 2017, adults 55 and older owned one-third of U.S. small businesses—up from 26% in 2013. Businesses in *metal/machinery manufacturing*, *real estate*, and *health care* had 40% or more of their owners who were at least 55 years old.

#### 1 of 4 New Entrepreneurs are 55 to 64

Since 2016, more than 25% of people starting businesses have been 55- to 64-year-olds. (See chart.) Also, this share has grown consistently since 1996, when just less than 15% of new entrepreneurs were in this age group.

### U.S. Share of New Entrepreneurs by Age Group



Sources: JPMorgan Chase for business ownership and Kauffman Foundation for new entrepreneurship data

### Older Adult Workers in the Private Sector

To participate in the private-sector workforce, adults who are 55 years old and older may own businesses or work as hired employees in firms. Recent business ownership statistics by age are only available at the national level. However, for states and regions, the U.S. Census Bureau provides more current payroll employment data by age, and this information can show which industries and areas have higher concentrations of older workers.

Private-sector workers who were 55 years old and older represented 23% of Missouri's payroll-employed labor force in 2019, similar to the U.S. average. Older adults held 550,000 jobs in Missouri's private sector and mostly worked in *health care* (78,000) and *professional, scientific, and technical services* (35,000).

Some Missouri industries and areas had larger shares of older workers in 2019 as the table below illustrates. Nearly half of Missouri *transit and ground passenger transportation* workers were at least 55 years old; 60% of workers employed by nonmetro Missouri firms in this industry were older workers. *Truck transportation*, a large industry with more than 40,000 jobs, had nearly one in three workers who were 55 and older. *Electrical equipment and component manufacturing* has long been a Missouri production strength, and it also had a higher than average share of older workers.

Unsurprisingly, some industries, such as *real estate* and *wholesale agents*, employed a higher percentage of workers aged 55 and older in 2019. Experienced salespeople can often do these jobs as a second career or job.

Industries with a large proportion of older workers could see significant labor challenges as the economic impacts of COVID-19 continues. Retirements, health concerns, and the changing nature of business could expose these industries to greater risks for long-term workforce disruptions.

### Industries with 30% or More Older Workers

	Missouri % Age 55+	Metro % Age 55+	Nonmetro % Age 55+
<b>All Private-Sector Industries</b>	<b>23%</b>	<b>22.5%</b>	<b>25.0%</b>
Transit & Ground Passenger Transp.	49%	48%	60%
Truck Transportation	32%	32%	37%
Printing & Related Support Activities	32%	32%	29%
Building Material & Supplies Dealers	30%	30%	32%
Electrical Equipment & Component Mfg.	30%	30%	34%
Wholesale Electronic Markets & Agents	30%	29%	37%
Real Estate	30%	30%	37%

\*Industries with at least 5,000 jobs. U.S. Census QWI, 3rd QTR 2019

Data sources:

1. Farrell, Diana, Christopher Wheat, and Chi Mac. 2019. "Gender, Age, and Small Business Financial Outcomes." JPMorgan Chase Institute. Accessed at <https://www.jporganchase.com/corporate/institute/document/institute-report-small-business-financial-outcomes.pdf>
2. Kauffman Foundation. 2020. "Who is the Entrepreneur? Race and Ethnicity, Age, and Immigration Trends among New Entrepreneurs in the United States, 1996–2019." Accessed at <https://www.kauffman.org/entrepreneurship/reports/race-ethnicity-age-immigration-trends-united-states-entrepreneurs-1996-2019/>
3. U.S. Census, Quarterly Workforce Indicators (QWI), 2019 Qtr. 3. Accessed at <https://ledextract.ces.census.gov/static/data.html>

### Additional Resources

- **COVID-19 Guidance for Older Adults** provides direction on reducing COVID-19 transmission risks in different environments at <https://www.cdc.gov/aging/covid19-guidance.html>
- **Missouri Small Business Development Center COVID-19 Resource Page** has a small business guide to the CARES Act, video guides and other resources at [sbdc.missouri.edu/sbdc-covid-19-resources](https://sbdc.missouri.edu/sbdc-covid-19-resources)

*This brief is the 11th in a series meant to explore economic indicators associated with the COVID-19 pandemic. Future updates will be available at [tinyurl.com/ExceedEconomyIndicators](https://tinyurl.com/ExceedEconomyIndicators)*

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